

TRINITY COLLEGE CARMARTHEN

Consolidated Financial Statements

31 July 2010

**Mazars LLP
Bristol**

REPORT AND FINANCIAL STATEMENTS 2010

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MEMBERS

The members who served the institution during the year were as follows:

EX OFFICIO GOVERNORS

President - The Rt Revd Wyn Evans, Lord Bishop of St David's

The Principal - Dr Medwin Hughes

NATIONAL SOCIETY

The Venerable A J Randolph Thomas

Mr Anthony Jenkins

ST DAVID'S DIOCESAN COUNCIL FOR EDUCATION

Vacancy

BOARD OF MISSION, CHURCH IN WALES

Revd Canon Dr Keith Denison

Mrs Penny Ryan

Dr John Walters

UNIVERSITY OF WALES

Dr Ann Rhys

ACADEMIC STAFF GOVERNORS

Sian Wyn Siencyn

Mr Ceredig Emmanuel

NON ACADEMIC STAFF GOVERNOR

Ms Sally Wilkinson

STUDENT GOVERNOR

Rhys David Parry, Student President

CARMARTHENSHIRE COUNTY COUNCIL - CO-OPTED

Mr Mark James

CO-OPTED GOVERNOR

Mr Lewis Evans

Ms Maria Jones

PROFESSIONAL ADVISERS

EXTERNAL AUDITORS

Mazars LLP
Clifton Down House
Beaufort Buildings
Clifton
Bristol
BS8 4AN

INTERNAL AUDITORS

PricewaterhouseCoopers LLP
One Kingsway
Cardiff
CF10 3PW

BANKERS

HSBC Plc

Operating and Financial Review 2009-10

Scope of the Financial Statements

The accounts of Trinity College comprise the following elements:

- Trinity College (“the Charity”)
- Trinity College, Carmarthen Foundation Limited (“the Company”)
- Farm Account (division of the Company)
- Trinity College Library and Ancillary Services (Carmarthen) Limited
- Eclectica Drindod Ltd

The Trinity College Charity incorporates the original endowment of 1848 and, as an education charity, embodies the assets of both land and buildings together with any charitable monies which have accrued to the charity.

The Company Account is the Income and Expenditure Revenue Account and is derived from public funding provided by the Higher Education Funding Council for Wales and fee income. A subsidiary of the Company is Trinity College Library and Ancillary Services (Carmarthen) Limited.

The Farm Account forms part of the Company Account, but is treated separately to produce a full and fair view of the operation of the commercial aspects of the enterprise.

For the purposes of these financial statements Trinity College Carmarthen Foundation Limited (“The Company”) is treated as the holding company.

Eclectica Drindod is a private company limited by guarantee with no share capital, initiated to undertake a role that more effectively delivers Third Mission activity for Trinity College.

Principles Underlying the Operating and Financial Review

Within the context of Wales, Trinity University College has had a distinct role to play within higher education. Its mission, educational character and academic portfolio attest to its strategic importance in furthering bilingualism and supporting the enhancement of the Welsh language and culture.

As a community university, the institution has been acutely aware of its role as a key agent for lifelong learning. The current strategic plan confirms the role of the institution as it develops a range of strategies to support various Welsh Assembly Government policies. In doing so, it articulates the core *raison d’être* of the institution as a community University institution, that makes an effective contribution to the economic, social, cultural and spiritual prosperity of Wales. As a teaching led institution underpinned by scholarship, it has developed a clear niche for itself. The confidence of the institution in its academic provision and its strategic relevance for Wales is based upon an evolving programme of change, ever refining the purpose and significance of its educational provision. Its role within the life of Wales, as a central hub promoting the arts, education and the Welsh language, places it on a par with other specialist University and conservatoires within the sector.

The University’s vision is to develop a high quality, distinctive higher education provision. Both teaching and applied research will be of national significance, attracting students and staff as a result of the acknowledged expertise within subject areas. Programmes at undergraduate and postgraduate level will be responsive to and reflective of current specialist areas of cultural and professional development in West Wales.

Preparation of the Financial Statements

The financial statements for the year to 31 July 2010 have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2007) and the accounts direction issued by the Higher Education Funding Council for Wales.

Financial Health

The designation of financial health by HEFCW no longer applies, Trinity University College defines itself as an institution with low risk in relation to its financial status. However, there will be continuing challenges to financial health and the following areas continue to present a challenge to financial sustainability:

- maintaining a sufficient level of surplus to facilitate investment in the University estate, in order to both ensure fitness for purpose and to meet the increasing demands of its clients;
- being pro-active in responding to potential reduction in core funding from HEFCW;

- responding to the changing context in Wales in terms of the Reaching For Our Future Agenda;
- further diversification of income streams; and
- expanding its community and part-time provision.

Results for the Year

The financial statements are produced in accordance with the Statement of Recommended Practice (SORP) on Accounting for Further and Higher Education.

The University's Consolidated Income and Expenditure Account for 2009/10 is summarised as follows:

	2009/10	2008/09
	£k	£k
Income	16,331	15,492
Expenditure	15,797	15,426
Operating Surplus	534	66
Exceptional Item	1,030	-
Surplus Continuing Operations	1,564	66

It is pleasing to report that Trinity University College recorded a surplus for the year retained within General Reserves of £1,564,313. This is a significant improvement and builds on the small operating surplus made in the previous year.

The results for the year are consistent with management's expectations and the University's strategic aims to deliver operational surpluses and an improved cash position to allow further capital investment over the strategic planning cycle.

Income

During the year the University's total income increased by 5.4%, income received from HEFCW increased by 2.6% to £7.5 million. This represents 46% of total income in 2010, which reduced from 48% during 2008/09.

Tuition Fees increased by 10.3% to £4.3 million, due to the continued strong recruitment of full time Home & EU students.

The University saw a reduction in research income generated during the year compared to 2008/09 due to a reduced level of externally funded contracts available to the sector.

Other income increased by 12.6% to £4.3 million, with Catering & Residence achieving a 5% increase to £2.2 million. The University experienced strong growth in EU grants of 98% to £303,000 due to increased awards of external contracts. Other income generating activities also experienced an increase of 14.3% to £1.8 million as the University continued to acquire external non EU contracts.

During the year an updated agreement with Charles Church regarding the land disposal was reached. The consideration for the land was increased by £1,030k in the new agreement, this being made up of £800k cash and £230k property.

Expenditure

Total expenditure increased by 2.4% during the year which was below the growth in income.

Staff costs expressed as a percentage of income represents a key performance indicator and in 2009/10 represented 60.4% down from the level of 62.8% in 2008/09.

Other operating costs increased by 6.57% during the year to £5.2 million. This increase was due to increased external project expenditure and the transfer between General and Designated Funds in respect of the Basil Richards Legacy.

Balance Sheet

The balance sheet discloses a net current assets position of £4.8 million as compared with £2.8 million in 2009. This follows a strong income and expenditure account result for the year.

Expenditure of £1.3 million was incurred on capital projects in 2009/10 and was financed through a combination of capital grants of £1.1 million and cash balances.

The University had a net cash inflow from operating activities of £9.4 million and a total cash inflow of £8.5 million which had been boosted by the receipt of funds of £6.5 million from HEFCW to meet merger and capital investment requirements in the University of Wales Trinity St David and receipt of sale proceeds from Charles Church.

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible return while minimising risk. The University's short term deposits are managed by Tradition UK Ltd, the performance of which is monitored by the Finance Committee. At 31 July 2010, the University held short term deposits and cash of £11.4 million.

The level of external borrowing continues to reduce with the level of indebtedness at 31 July 2010 standing at £1.2 million a reduction of £308,000 in the year. This is in accord with University policy of reducing indebtedness and not undertaking any capital investment of the estate, unless it can be funded from sources other than external borrowing.

Creditors due within one year have increased overall by 201%. This in the main is due to unspent grant from HEFCW to meet merger and capital investment in the University of Wales Trinity St David.

The FRS17 deficit in the Dyfed Pension Scheme decreased during the year from £4.9 million to £4.6 million. The decrease in the deficit has principally been driven by a change in the calculation of benefits to be based on the Consumer Price Index as opposed to the Retail Price Index.

Payment of Creditors

The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the later.

Trinity's Employees

The University is explicit in its commitment to further best practice in corporate governance and establish effective structures to support human capital within the institution. It aims to recruit, retain and develop staff that are well-informed and enjoy high morale, job satisfaction and a culture of commitment and engagement with the University's mission whilst meeting the needs of a changing institution and a changing curriculum. The University has retained its Investors in People status following a re-assessment during the year.

Environmental Impact

The University is a pro-active member of the South West Wales Higher Education Partnership and has implemented a series of measures to minimise the University's adverse impact on the environment.

Key elements of this activity include:

- Monitoring utility usages.
- Operating an environmentally friendly and approved waste management system.
- Implementing an environmental management system.
- Developing an environmental policy.
- Develop and implement a travel plan.
- Establish an environmental committee / forum.
- Meeting sustainability pledge targets.

Risks and Uncertainties

The process of risk management has now been fully integrated with strategic planning. Institutional risks and contingencies are identified at the beginning of the academic year. The consultation process for defining the strategic plan has incorporated an identification of key risks in academic and support areas. These have then been incorporated in the University risk register and approved by the audit committee. The process has been fully evaluated and become a formal part of the institutional planning process.

This risk and contingency management policy forms part of the Trinity University's internal control and corporate governance arrangements. The policy explains the institution's underlying approach to risk management, documents the roles and responsibilities of the board of governors, the senior management team, and other key parties. It also outlines key aspects of the risk management process, and identifies the main reporting procedures. In addition, it describes the process the board of governors will use to evaluate the effectiveness of the institution's internal control procedures. A contingency element has been included in the risk register to address potential, major incidents or issues that although unlikely, could create severe difficulties for the institution.

The principal risks are identified as:

- Loss of institutional character and integrity
- Failure to attract students
- Loss of capacity to deliver the University's Mission

Creation of a new University

In October 2009, the University of Wales Lampeter and Trinity University College, Carmarthen welcomed news that Education Minister Jane Hutt had approved a £14.3 million funding package in support of the creation of a brand new university in South West Wales.

The University of Wales Trinity Saint David will build upon the heritage and strengths of Wales's two oldest institutions, and will go towards providing enhanced facilities and resources for students and communities in the region. The £14.3 million funding award from the Higher Education Funding Council for Wales (HEFCW) will ensure that the new university can respond to the economic and social needs of Wales.

In particular the funding will enable the University to address skills needs through the creation of a number of initiatives and will enhance and strengthen existing academic areas. The University of Wales Trinity Saint David will build upon existing partnerships with key agencies including further education colleges and schools to transform the provision of education and training across the region.

A programme of investment will now see the development of enhanced facilities at both campuses, and staff at both Lampeter and Carmarthen are already working closely together following the granting of a Supplemental Charter by Her Majesty's Privy Council.

A New Vision to Transform Education in South West Wales

On Wednesday, 2 June 2010 a new vision for post-16 education in South West Wales was unveiled at the Urdd Eisteddfod in Llanerchaeron, Ceredigion.

The vision is to establish a regional educational group comprising two universities and three FE colleges in South West Wales to create a dual sector group structure providing meaningful educational pathways, enhancing student choice and developing joint educational provision which responds to the needs of employers.

A declaration of intent was announced between the University of Wales Trinity Saint David, Swansea Metropolitan University, Pembrokeshire College, Coleg Sir Gâr and Coleg Ceredigion. The Statement of Intent proposes to establish a new Post-16 regional strategic alliance for the South West within a collegiate structure.

Public Benefit

The objectives of Trinity University College are in full alignment with the new University – the University of Wales: Trinity Saint David that has been established from the joining of the University of Wales, Lampeter and Trinity University College, Carmarthen. The University's Mission Statement is:

“excellence in education – delivered with distinction”

The priority aims for the University are to be an institution:

- which delivers high quality higher education and research and contributes to the economic, social and cultural prosperity of its region and the UK more broadly through offering a distinctive and progressive portfolio of strong academic activity;
- which is regarded as a hub for the development of higher level skills and workforce re-skilling within South West and Mid-Wales;
- which has a clear international profile as it develops international excellence in research and teaching networks;

- that is committed to the bilingual agenda; and
- that celebrates its strong and vibrant academic and cultural heritage

Key Future Activities

Future activities are focused on the following areas:

Achieving excellence in learning & teaching

Providing distinctive, relevant research, learning, and employment led opportunities that are based upon academic excellence

Achieving excellence in research

To be recognised as a research centred University that offers added value across a specific range of subject areas

Providing a high quality student experience

To be recognised as a student centred University that offers high quality educational experiences

Investing in its Staff

Providing an environment where staff are valued and their professional and personal development is supported

Establishing an international profile

Providing a distinctive international character to the University through the establishment of a range of strategic partnerships in the UK and overseas

Developing the Knowledge Economy

To be recognised as a regional University that offers a distinctive range of professional skills that enhances innovation and promotes the knowledge based economy

Promoting social justice, inclusion and access

To be recognised as a distinctive University that offers relevant opportunities to promote social justice, inclusion and access

Promoting bilingualism and cultural distinctiveness

To be recognised as a national University of Wales offering bilingual opportunities to celebrate linguistic and cultural distinctiveness

Promoting regionalism and institutional sustainability

To establish a regional Higher Education confederation in South West Wales that delivers a sustainable future for the provision of higher education through Trinity Saint David.

Support is provided to a range of cultural and community organisations through a range of activity – the sporting facilities, including sports centre, playing fields and swimming pool are open to the community. The institution organises cultural events throughout the year, the major festival - Gwyl y Drindod is the annual festival that is now recognised as a major cultural event in Wales, providing additional opportunities for young people and enhancing the artistic life of a number of communities.

Conclusion

The financial challenges of 2009/10 are likely to continue into 2010/11 given the dynamic changes in economic stability and future levels of public sector funding. Significant progress has already been made in developing robust management structures for the new University which will build upon a healthy financial position to meet its future challenges.

Dr M Hughes

Principal 17 December 2010

CORPORATE GOVERNANCE STATEMENT

The College is committed to exhibiting best practice in all aspects of Corporate Governance. This summary describes the manner in which the College has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

The College's Governing Body, the College Council, comprises lay members, employees and a student representative. The roles of Chairman and Vice-Chairman of the Governing Body are separated from the role of the College's Chief Executive, the Principal. The matters specially reserved to the Council for decision are set out in the Articles of Government of the College, by custom and under the Financial Memorandum with the Higher Education Funding Council for Wales. The Governing Body holds the responsibilities for the ongoing strategic direction of the College, approval of major developments and the receipt of regular reports from Executive Officers on the day-to-day operations of its business and its subsidiary company.

The College Council considers that, throughout the year ended 31 July 2010, the College has been in compliance with all the provisions set out in Section 1 of the Combined Code on Corporate Governance in so far as they relate to Colleges. The College also complies with the Guide for Members of Governing Bodies of Universities and Colleges in England and Wales that was issued by the Committee of University Chairmen in 1998.

The College Council is of the view that appropriate processes are applied for identifying, evaluating and managing the significant risks which relate to the institution, and that these processes are being continually refined and developed in terms of their scope and sensitivity. The overall processes are designed to manage rather than eliminate the risk of failure to achieve business objectives and it is recognised that they can provide reasonable but not absolute assurances.

The approach to risk management includes the systematic identification of key risks and of appropriate institutional responses to these, with continual review arrangements also being in place. The risk register is reviewed regularly by the Senior Management Team and reported to the College Council.

The full Governing Body normally meets on three occasions during an annual cycle and has several Committees, including a Finance and Strategic Planning Committee, a Human Resources Committee, a Corporate Governance and Nominations Committee, an Estates and Network Services Committee, a Senior Staff Remuneration Committee and an Audit Committee. All of these committees are formally constituted with terms of reference.

In respect of its strategic and development responsibilities, the Governing Body receives recommendations and advice from the Finance and Strategic Planning Committee and from the Senate Academic Board, a committee of academic staff members chaired by the Principal which is responsible for the College's academic affairs.

The Finance and Strategic Planning Committee inter alia recommends to the Governing Body the College's annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The Human Resources Committee addresses strategic matters relating to human resources, and takes an overview of policies and procedures relating to staffing.

The Corporate Governance and Nominations Committee considers nominations for co-opted vacancies in the Governing Body membership. A majority of lay members is appointed by external bodies, being eligible for re-appointment by the relevant bodies when they retire by rotation.

The Estates and Network Services Committee advises the Governing Body on strategic and operational matters relating to the residential and academic estate.

The Senior Staff Remuneration Committee determines the remuneration of the most senior staff, including the Principal.

CORPORATE GOVERNANCE STATEMENT (continued)

The Audit Committee meets at least three times a year with the College's internal auditors and external auditors in attendance, as appropriate. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Welsh Funding Council's Audit Service as they affect the College's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee and, as a matter of course, the Committee meets the internal and external auditors on their own for independent discussions.

Chair of Governors – The Venerable A J Randolph Thomas

Date: 17 December 2010

Principal – Dr M Hughes

Date: 17 December 2010

STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE INSTITUTION

In accordance with the College's Articles of Government, the Governing Body is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles of Government, the Statement of Recommended Practice on Accounting in Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for Wales and the College's Governing Body, the Governing Body, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the College's state of affairs and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Governing Body has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgments and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation. The Governing Body is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Governing Body has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud;
- secure the economical, efficient and effective management of the College's resources and expenditure.

**STATEMENT OF RESPONSIBILITIES OF MEMBERS OF THE INSTITUTION
(continued)**

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks, and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Governing Body;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance and Strategic Planning Committee;
- a professional internal audit team whose annual programme is approved by the Audit Committee and endorsed by the Governing Body and whose head provides the Governing Body with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

It is recognised that any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRINITY COLLEGE, CARMARTHEN

We have audited the financial statements for the year ended 31 July 2010 which comprise the consolidated income and expenditure account, the consolidated balance sheet, the College's balance sheet, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention include as required - as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the College's Governing body. Our audit work has been undertaken so that we might state to the College's Governors those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the College's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the members and Auditors

As described in the Statement of Corporate Governance, the Governing body is responsible for the preparation of financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for Wales, the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions, applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, International Standards of Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for Wales.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions. We also report to you whether in our opinion, income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the College, have been properly applied in all material respects for the purposes for which they were received, and whether income has been applied in all material respects in accordance with the College's statutes and where appropriate with the Financial Memorandum dated June 2000 with the Higher Education Funding Council for Wales and with the Funding Agreement with the Teacher Training Agency.

We also report to you if, in our opinion, the College has not kept proper accounting records, the accounting records do not agree with the financial statements, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the Report of the Treasurer and the Statement of Corporate Governance. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards of Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for Wales. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governing body in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRINITY COLLEGE, CARMARTHEN(continued)**

Opinion

In our opinion:

- 1) the financial statements give a true and fair view of the state of affairs of the College and the group at 31 July 2010, and of the group's surplus of income over expenditure, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions;
- 2) in all material respects, income from the Higher Education Funding Council for Wales, grants and income for specific purposes and from other restricted funds administered by the College have been applied for the purposes for which they were received;
- 3) in all material respects, income has been applied in accordance with the College's statutes and where appropriate in accordance with the Financial Memorandum dated June 2000 with the Higher Education Funding Council for Wales covering the period 1 August 2009 to 31 July 2010.

Mazars LLP

Chartered Accountants

and Registered Auditors

Bristol

Date: 17 December 2010

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 July 2010

	Note	2010	2009
		£	£
INCOME			
Funding Council Grants	2	7,580,852	7,386,873
Tuition fees	3	4,363,488	3,956,161
Research Grants and Contracts	4	-	226,153
Other operating income	5	4,360,558	3,873,170
Investment income	6	26,955	49,491
		<u>16,331,853</u>	<u>15,491,848</u>
EXPENDITURE			
Staff costs	7	9,871,989	9,729,303
Other operating costs	8	5,264,563	4,939,757
Depreciation		643,894	708,476
Interest payable	9	17,094	48,647
		<u>15,797,540</u>	<u>15,426,183</u>
(Deficit)/Surplus on continuing operations after depreciation of assets and before tax		534,313	65,665
Realised gain	10	1,030,000	-
Taxation	11	-	-
		<u>1,564,313</u>	<u>65,665</u>
(Deficit)/Surplus on continuing operations after depreciation of assets, disposal of assets and tax		<u>1,564,313</u>	<u>65,665</u>

The income and expenditure account is in respect of continuing activities.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 July 2010

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 July 2010

	2010	2009
	£	£
(Deficit)/Surplus on continuing operations after depreciation of assets, disposal of assets and tax	1,564,313	65,665
Actuarial gain(loss) on Pension Scheme	787,000	(366,000)
Movement in special fund	249,532	(35,871)
	<u>1,036,532</u>	<u>(401,871)</u>
Total recognised gains and losses related to the year	<u>2,600,845</u>	<u>(336,206)</u>
RECONCILIATION		
Opening reserves and special funds	3,746,333	4,082,539
Contributions received		
Total recognised gains and losses for the year	<u>2,600,845</u>	<u>(336,206)</u>
Closing reserves and special funds	<u>6,347,178</u>	<u>3,746,333</u>

BALANCE SHEETS – CONSOLIDATED AND ENTITY
31 July 2010

	Note	Consolidated		Trinity College, Carmarthen Foundation Limited	
		2010 £	2009 £	2010 £	2009 £
FIXED ASSETS					
Tangible assets	12	12,040,188	11,398,980	2,602,280	1,890,420
Works of art	13	36,046	36,046	-	-
Investments	14	100	105	1,100	1,100
		<u>12,076,334</u>	<u>11,435,131</u>	<u>2,603,380</u>	<u>1,891,520</u>
CURRENT ASSETS					
Stocks	15	41,272	44,423	41,272	44,423
Debtors	16	4,166,041	3,796,363	5,403,976	8,123,312
Short-term deposits		1,321,837	870,289	-	-
Cash at bank and in hand		10,136,550	1,664,645	8,298,633	787,363
		<u>15,665,700</u>	<u>6,375,720</u>	<u>13,743,881</u>	<u>8,955,098</u>
CREDITORS: amounts falling due within one year	17	<u>(10,831,882)</u>	<u>(3,593,933)</u>	<u>(10,322,019)</u>	<u>(5,989,418)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>4,833,818</u>	<u>2,781,787</u>	<u>3,421,862</u>	<u>2,965,680</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		16,910,152	14,216,918	6,025,242	4,857,200
CREDITORS: amounts falling due after more than one year	18	(895,211)	(1,207,227)	(895,211)	(1,207,227)
PROVISIONS FOR LIABILITIES AND CHARGES	19	<u>(1,273,158)</u>	<u>(1,406,074)</u>	<u>(1,273,158)</u>	<u>(1,406,074)</u>
		14,741,783	11,603,617	3,856,873	2,243,899
SPECIAL FUND BANK DEPOSITS	21	<u>70,675</u>	<u>71,143</u>	-	-
NET ASSETS EXCLUDING PENSION LIABILITY		14,812,458	11,674,760	3,856,873	2,243,899
Pension Liability		<u>(4,602,000)</u>	<u>(4,962,000)</u>	<u>(4,602,000)</u>	<u>(4,962,000)</u>
		<u><u>10,210,458</u></u>	<u><u>6,712,760</u></u>	<u><u>(745,127)</u></u>	<u><u>(2,718,101)</u></u>

**BALANCE SHEETS – CONSOLIDATED AND ENTITY
31 July 2010**

(Continued)

Deferred capital grants	20	3,863,280	2,966,428	1,253,145	510,507
Special funds	21	320,675	71,143	-	-
RESERVES					
Farm capital account	22	35,893	35,893	-	-
Accumulated fund	23	10,583,740	8,592,427	2,603,728	1,733,392
Pension reserve	23	(4,602,000)	(4,962,000)	(4,602,000)	(4,962,000)
Higher Education Funding Council for Wales	24	8,870	8,870	-	-
TOTAL RESERVES		<u>6,026,503</u>	<u>3,675,190</u>	<u>(1,998,271)</u>	<u>(3,228,608)</u>
		<u>10,210,458</u>	<u>6,712,761</u>	<u>(745,127)</u>	<u>(2,718,101)</u>

These financial statements were approved by the governors on 17 December 2010

Dr M Hughes - Principal

The Venerable A J Randolph Thomas - Chairman

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2010

	Note	2010 £	2009 £
Net cash inflow from operating activities	25	9,367,586	865,396
Returns on investments and servicing of finance	26	9,861	844
Capital expenditure and financial investment	27	(146,305)	(203,229)
Management of liquid resources	28	(451,550)	(288,612)
Net cash inflow before financing		<u>8,779,592</u>	<u>374,399</u>
Financing activities	29,31	<u>(308,157)</u>	<u>(264,202)</u>
Increase in cash in the year	30,31	<u><u>8,471,435</u></u>	<u><u>110,197</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with both the Statement of Recommended Practice Accounting for Further and Higher Education Institutions, and applicable accounting standards.

Basis of consolidation

The consolidated financial statements include the College, the Foundation, the Library and the Farm. Intra entity transactions and balances are eliminated fully on consolidation.

Recognition of income

Income from contracts and services is included to the extent of the completion of the contract or services concerned. Income in respect of capital items is deferred and amortised over the same period as the assets to which they relate.

Fixed assets

Prior to 1 April 1992, fixed assets were written off on acquisition. From 1 April 1992, items costing over £1,000 were capitalised and depreciated. This limit was raised to £5,000 from 1 August 1995.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents the invoiced price of stocks.

Depreciation

Depreciation is provided on a straight line basis, so as to write off the cost of fixed assets over the expected useful economic lives of the assets. The specific rates applied are as follows:

i)	Freehold land	nil
ii)	Buildings	2-4%
iii)	Motor Vehicles	25%
iv)	Equipment, fixtures and fittings	10-33 1/3%

Investments

Investments are stated at cost less provision for any impairment.

Works of art

Works of art are stated at cost less provision for any impairment.

Pensions

College academic staff are members of the Teachers' Pension Agency and Universities Superannuation Scheme. The College contributed 14.1% of academic employees' gross pay for TPA and 14% for USS until September and 16% thereafter. Employees' own contributions to this scheme are deducted from their salaries and paid over to the fund by the College. Administrative non-academic staff are members of the Dyfed Pension Fund. The College contributed 13.2% of their gross pay until March and 15.3% thereafter. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. Pension payments are made by the College to staff who have taken early retirement. Full provision for the expected costs of such payments is made in the year of retirement.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

1. ACCOUNTING POLICIES (continued)

Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Taxation

As an exempt charity, the College benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents.

Hardship funds

Funding Council grants are available solely for students. The College acts only as paying agents. The grants and related disbursements are therefore excluded from the income and expenditure account.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

	2010	2009
	£	£
2. FUNDING COUNCIL GRANTS		
HEFCW Recurrent Grants	5,743,279	5,699,322
HEFCW Specific Grants	1,496,827	1,346,705
Release from Deferred Grants	234,894	248,432
FEFCW Recurrent grants	105,852	92,414
	<u>7,580,852</u>	<u>7,386,873</u>
3. TUITION FEES		
Full Time Students (UK and EU)	3,986,205	3,581,844
Full Time Students (Non EU)	197,984	197,600
Part Time Students	179,299	176,717
	<u>4,363,488</u>	<u>3,956,161</u>
4. RESEARCH GRANTS AND CONTRACTS		
Research Councils	-	206,462
UK Based Charities	-	19,691
	<u>-</u>	<u>226,153</u>
5. OTHER OPERATING INCOME		
Catering and residence operations	2,234,147	2,126,124
EU Grants	302,752	152,753
Other income generating activities	1,823,659	1,594,293
	<u>4,360,558</u>	<u>3,873,170</u>
6. INVESTMENT INCOME		
Bank and other interest received	<u>26,955</u>	<u>49,491</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

7. STAFF NUMBERS AND COSTS

	2010	2009
	No.	No.
The average weekly number of persons employed by the College during the year was		
Teaching departments	163	164
Teaching support services	16	16
Other support services	11	11
Administration and central services	93	89
Premises	20	21
Catering and residence	47	43
	<u>350</u>	<u>344</u>
	2010	2009
	£	£
Staff costs for the above persons		
Teaching departments	4,676,613	4,598,773
Teaching support services	291,681	286,038
Other teaching support services	354,675	332,755
Administration and central services	2,996,749	2,910,010
Premises	524,555	472,632
Catering and residence	550,599	546,650
Redundancy costs	69,855	22,459
Pension Interest	(19,738)	104,986
Contributions received FRS17	(448,000)	(347,000)
Current service cost	561,000	596,000
Past Service/Curtailments/Settlement gains	-	-
Net interest/Return on assets	314,000	206,000
	<u>9,871,989</u>	<u>9,729,303</u>
Wages and salaries	7,947,378	7,737,315
Social security costs	609,990	622,014
Other pension costs	1,244,766	1,347,515
Redundancy costs	69,855	22,459
	<u>9,871,989</u>	<u>9,729,303</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

7. STAFF NUMBERS AND COSTS (continued)

Remuneration of other higher paid staff, excluding employer's pension contributions:

	2010	2009
	No.	No.
£100,000 - £109,999	-	-
£110,000 - £119,999	2	2
£120,000 - £129,999	-	-
£130,000 and above	-	-

The emoluments of the Principal, who is also the highest paid senior post-holder, were as follows:

	2010	2009
	£	£
Salary	77,425	155,008
Benefits in kind	6,925	13,850
	<u>84,350</u>	<u>168,858</u>
Pension contributions	<u>11,894</u>	<u>22,097</u>

The emoluments of the Principal shown are those paid by Trinity University College up to the 31 July 2010. However from 1 May 2009 the Principal also became Vice Chancellor for the University of Wales, Lampeter and the emoluments for 2009/10 have been shared equally between both institutions.

8. OTHER OPERATING COSTS

	2010	2009
	£	£
Teaching departments	1,062,290	781,343
Teaching support services	177,462	167,766
Other teaching support services	47,161	62,020
Administration and central services	2,512,041	2,570,354
Premises	790,850	644,821
Catering and residences	630,234	673,961
Auditors remuneration - External	21,138	18,532
Auditors remuneration - Internal	23,387	20,960
Auditors remuneration - other	-	-
	<u>5,264,563</u>	<u>4,939,757</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

9. INTEREST PAYABLE

	2010	2009
	£	£
On bank loans, overdrafts and other loans Repayable in more than five years	17,094	48,647
	<u>17,094</u>	<u>48,647</u>

10. SURPLUS ON CONTINUING OPERATIONS BEFORE TAX

	2010	2009
	£	£
The surplus on continuing operations before tax is after charging		
Depreciation - owned assets	643,894	708,476
Auditors' remuneration		
- external audit	21,138	21,075
- internal audit	23,387	20,960
- other services by external auditors	-	-
	<u>688,419</u>	<u>750,511</u>

11. TAXATION

The members do not believe the College was liable for any corporation tax arising out of the activities during the year.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

12. TANGIBLE FIXED ASSETS

Consolidated	Motor vehicles	Equipment, fixtures and fittings	Freehold land and buildings	Total
	£	£	£	£
Cost				
At 1 August 2009	63,265	3,637,282	15,112,875	18,813,422
Additions in the year	-	404,958	880,144	1,285,102
Disposals in the year	(19,307)	-	-	(19,307)
	<u>43,958</u>	<u>4,042,240</u>	<u>15,993,019</u>	<u>20,079,217</u>
At 31 July 2010	43,958	4,042,240	15,993,019	20,079,217
Accumulated depreciation				
At 1 August 2009	55,605	3,300,680	4,058,157	7,414,442
Charge for the year	5,019	249,269	389,606	643,894
Removed in the year	(19,307)	-	-	(19,307)
	<u>41,317</u>	<u>3,549,949</u>	<u>4,447,763</u>	<u>8,039,029</u>
At 31 July 2010	41,317	3,549,949	4,447,763	8,039,029
Net book value				
At 31 July 2010	<u>2,641</u>	<u>492,291</u>	<u>11,545,256</u>	<u>12,040,188</u>
At 31 July 2009	<u>7,660</u>	<u>336,602</u>	<u>11,054,718</u>	<u>11,398,980</u>
Trinity College, Carmarthen Foundation Limited				
Cost				
At 1 August 2009	63,265	2,920,466	1,990,715	4,974,446
Additions in the year	-	357,455	691,948	1,049,403
Disposals in the year	(19,307)	-	-	(19,307)
Transfers	-	-	-	-
	<u>43,958</u>	<u>3,277,921</u>	<u>2,682,663</u>	<u>6,004,542</u>
At 31 July 2010	43,958	3,277,921	2,682,663	6,004,542
Accumulated depreciation				
At 1 August 2009	55,605	2,580,451	447,970	3,084,026
Charge for the year	5,019	209,127	123,397	337,543
Removed in the year	(19,307)	-	-	(19,307)
	<u>41,317</u>	<u>2,789,578</u>	<u>571,367</u>	<u>3,402,262</u>
At 31 July 2010	41,317	2,789,578	571,367	3,402,262
Net book value				
At 31 July 2010	<u>2,641</u>	<u>488,343</u>	<u>2,111,296</u>	<u>2,602,280</u>
At 31 July 2009	<u>7,660</u>	<u>340,015</u>	<u>1,542,745</u>	<u>1,890,420</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

13. WORKS OF ART

	Consolidated
	£
Cost	
At 1 August 2009	36,046
Additions	-
	<u> </u>
Balance at 31 July 2010	<u>36,046</u>

Cost brought forward represents expenditure incurred from 1 April 1981. There were no material costs incurred prior to that date.

14. INVESTMENTS

	Consolidated		Trinity College Carmarthen Foundation Limited	
	2010	2009	2010	2009
	£	£	£	£
1,000 ordinary £1 shares – Trinity College Library and Ancillary Services (Carmarthen) Limited			1,000	1,000
Carmarthen Farmers Limited – 20 ordinary shares of 25p (unlisted)	-	5	-	-
100 ordinary £1 shares – Welsh Networking Limited	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>100</u>	<u>105</u>	<u>1,100</u>	<u>1,100</u>

Trinity College Library and Ancillary Services (Carmarthen) Limited is a wholly owned subsidiary of Trinity College Carmarthen Foundation Limited.

15. STOCKS

	Consolidated		Trinity College Carmarthen Foundation Limited	
	2010	2009	2010	2009
	£	£	£	£
Stocks and Stores	<u>41,272</u>	<u>44,423</u>	<u>41,272</u>	<u>44,423</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

16. DEBTORS

	Consolidated		Trinity College Carmarthen Foundation Limited	
	2010	2009	2010	2009
	£	£	£	£
DUE WITHIN ONE YEAR				
Debtors for goods and services	383,512	788,414	353,140	2,932,118
Trinity College Library and Ancillary Services (Carmarthen) Limited	-	-	-	811,299
Other debtors	2,324,231	2,500,790	-	-
Prepaid expenditure	1,228,298	507,159	1,200,154	529,213
	<u>3,936,041</u>	<u>3,796,363</u>	<u>1,553,294</u>	<u>4,272,630</u>
DUE AFTER ONE YEAR				
Trinity College	-	-	3,850,682	3,850,682
Other debtors	230,000	-	-	-
	<u>4,166,041</u>	<u>3,796,363</u>	<u>5,403,976</u>	<u>8,123,312</u>

EXCEPTIONAL COSTS

Trinity University College incurred exceptional costs of £712,547 in 2009/10 (£145,993 2008/09) as part of the process of creating a new university and funded by the Higher Education Funding Council for Wales.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Trinity College, Carmarthen Foundation Limited	
	2010	2009	2010	2009
	£	£	£	£
Bank overdraft	-	-	-	-
Bank loan (note 18)	312,572	308,713	312,572	308,713
Creditors for goods and services	2,500,490	2,205,910	1,068,066	627,460
Student indemnity bonds	67,500	10,069	67,500	10,069
Other creditors including tax and social security	408,894	334,006	408,895	331,478
Trinity College Carmarthen	-	-	23,697	9,366
Trinity College Library and Ancillary Services (Carmarthen) Limited	-	-	-	3,039,514
Accruals and deferred income	7,542,426	735,235	8,441,289	1,662,818
	<u>10,831,882</u>	<u>3,593,933</u>	<u>10,322,019</u>	<u>5,989,418</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company.

Included within accruals and deferred income is £5,682,113 of monies received in respect of the merger from HEFCW. This amount is also reflected within the cash and bank figure shown within the accounts.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Trinity College, Carmarthen Foundation Limited And Consolidated	
	2010	2009
	£	£
Bank loan	<u>895,211</u>	<u>1,207,227</u>

The bank loan was entered into by Trinity College, Carmarthen Foundation Limited.

The loan is repayable on demand but it is intended that it will be repayable over a term of 5 years and 11 months from the first drawing. Interest is charged at the rate of 0.75% over the bank's base rate.

The loan is secured by a fixed and floating charge including a legal charge on student accommodation blocks owned by Trinity College.

The bank loan is repayable as follows:

	Trinity College, Carmarthen Foundation Limited And Consolidated	
	2010	2009
	£	£
Due		
Within one year	<u>312,572</u>	<u>308,713</u>
After one year		
One to two years	316,479	312,572
Two to five years	578,732	894,655
After five years	-	-
	<u>895,211</u>	<u>1,207,227</u>
Total	<u><u>1,207,783</u></u>	<u><u>1,515,940</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Trinity College, Carmarthen Foundation Limited and Consolidated	
	2010	2009
	£	£
Pension provision	1,273,158	1,406,074
Pensions		
Balance at 1 August	1,406,074	1,412,798
Payments in year	(113,178)	(111,710)
Charge for the year	(19,738)	104,986
Balance at 31 July	<u>1,273,158</u>	<u>1,406,074</u>

20. DEFERRED CAPITAL GRANTS

CONSOLIDATED	HEFCW	Other grants	Total
	£	£	£
At 1 August			
Land and buildings	2,539,029	313,788	2,852,817
Equipment	113,611	-	113,611
Grants capitalised in year			
Land and buildings	944,962	-	944,962
Equipment	193,835	-	193,835
Released to income and expenditure account			
Land and buildings	126,767	7,050	133,817
Equipment	108,128	-	108,128
At 31 July			
Land and buildings	<u>3,357,224</u>	<u>306,738</u>	<u>3,663,962</u>
Equipment	<u>199,318</u>	<u>-</u>	<u>199,318</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

20. DEFERRED CAPITAL GRANTS (continued)

TRINITY COLLEGE, CARMARTHEN FOUNDATION LIMITED	HEFCW	Other grants	Total
	£	£	£
At 1 August			
Land and buildings	323,108	73,788	396,896
Equipment	113,611	-	113,611
Grants capitalised in year			
Land and buildings	756,765	-	756,765
Equipment	146,333	-	146,333
Released to income and expenditure account			
Land and buildings	50,284	2,050	52,334
Equipment	108,128	-	108,128
At 31 July			
Land and buildings	<u>1,029,589</u>	<u>71,738</u>	<u>1,101,327</u>
Equipment	<u>151,816</u>	<u>-</u>	<u>151,816</u>

21. SPECIAL FUNDS

Special funds comprise legacy, bursary, memorial and appeal funds for specific purposes. The movement of the total funds in the year was as follows:

	Consolidated	
	2010	2009
	£	£
Total		
Balance at 1 August	71,143	107,014
Income for year	100,427	3,320
Awards and payments	(895)	(39,191)
Transfers	150,000	-
	<u>320,675</u>	<u>71,143</u>
Balance at 31 July	<u>320,675</u>	<u>71,143</u>
Students' Amenities Fund (Legacy from W J Roberts deceased)		
Balance at 1 August	1,770	1,710
Interest credited	11	60
	<u>1,781</u>	<u>1,770</u>
Balance at 31 July	<u>1,781</u>	<u>1,770</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

21. SPECIAL FUNDS (continued)

	Consolidated	
	2010	2009
	£	£
Sports Bursaries Fund		
Balance at 1 August	13,090	12,693
Interest credited	79	447
Payments	(50)	(50)
	<u>13,119</u>	<u>13,090</u>
Balance at 31 July	<u><u>13,119</u></u>	<u><u>13,090</u></u>
Education Bursaries Fund		
Balance at 1 August	13,764	13,670
Interest credited	83	484
Payments	(450)	(390)
	<u>13,764</u>	<u>13,764</u>
Balance at 31 July	<u><u>13,764</u></u>	<u><u>13,764</u></u>
Gwobr Goffa Griffidd Jones Fund		
Balance at 1 August	-	3,465
Interest credited	-	123
Transfer	-	(3,588)
	<u>-</u>	<u>-</u>
Balance at 31 July	<u><u>-</u></u>	<u><u>-</u></u>
Chancellor Elwyn Ll. Thomas Bursary		
Balance at 1 August	1,239	1,235
Interest credited	7	44
Payments	(40)	(40)
	<u>1,206</u>	<u>1,239</u>
Balance at 31 July	<u><u>1,206</u></u>	<u><u>1,239</u></u>
Stuart Burrows Music Scholarship		
Balance at 1 August	8,761	8,655
Interest credited	53	306
Payments	(200)	(200)
	<u>8,614</u>	<u>8,761</u>
Balance at 31 July	<u><u>8,614</u></u>	<u><u>8,761</u></u>
D D Rees Memorial Fund		
Balance at 1 August	2,570	2,560
Interest credited	15	90
Payments	(40)	(80)
	<u>2,545</u>	<u>2,570</u>
Balance at 31 July	<u><u>2,545</u></u>	<u><u>2,570</u></u>
Theology Centre Appeal		
Balance at 1 August	-	2,711
Transfer	-	(2,711)
	<u>-</u>	<u>-</u>
Balance at 31 July	<u><u>-</u></u>	<u><u>-</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

21. SPECIAL FUNDS (continued)

	Consolidated	
	2010	2009
	£	£
Gwobr Tudor Bevan Fund		
Balance at 1 August	1,281	1,285
Interest credited	8	46
Payments	(40)	(50)
	<u>1,249</u>	<u>1,281</u>
Balance at 31 July	<u><u>1,249</u></u>	<u><u>1,281</u></u>
J E Mock Bursary Fund		
Balance at 1 August	2,400	2,366
Interest credited	14	84
Payments	(75)	(50)
	<u>2,339</u>	<u>2,400</u>
Balance at 31 July	<u><u>2,339</u></u>	<u><u>2,400</u></u>
A Bonner Steel Fund		
Balance at 1 August	26,268	25,372
Interest credited	158	896
	<u>26,425</u>	<u>26,268</u>
Balance at 31 July	<u><u>26,425</u></u>	<u><u>26,268</u></u>
150th Anniversary Appeal		
Balance at 1 August	-	31,292
Received	-	740
Interest credited	-	-
Transfer	-	(32,032)
	<u>-</u>	<u>-</u>
Balance at 31 July	<u><u>-</u></u>	<u><u>-</u></u>
Basil Richards Fund		
Balance at 1 August	-	-
Received	100,000	-
Transfer	150,000	-
	<u>250,000</u>	<u>-</u>
Balance at 31 July	<u><u>250,000</u></u>	<u><u>-</u></u>
TOTAL FUNDS	<u><u>320,675</u></u>	<u><u>71,143</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

22. FARM CAPITAL ACCOUNT

	Consolidated
	£
Balance at 1 August and 31 July	35,893

23. ACCUMULATED FUND

	Consolidated		Trinity College, Carmarthen Foundation Limited	
	2010	2009	2010	2009
	£	£	£	£
Balance brought forward (including pension)	3,930,762	3,930,762	(3,520,393)	(2,999,164)
Net surplus / (deficit) for the year	2,050,978	(300,335)	1,482,024	(521,229)
Surplus carried forward	5,981,740	3,630,427	(2,038,369)	(3,520,393)

24. HIGHER EDUCATION FUNDING COUNCIL FOR WALES

	Consolidated	
	2010	2009
	£	£
Capital sum received to eliminate bank overdraft	8,870	8,870

The capital sum represents the permanent capital of the farm attributable to the Higher Education Funding Council for Wales.

25. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated	
	2010	2009
	£	£
Surplus for the year	1,564,313	65,665
Increase in provision for pensions	(132,915)	(6,724)
Depreciation	643,894	708,475
Amortisation of grants	7,587	(284,303)
Loss on disposal of investment asset	5	-
(Increase)/ Decrease in stocks	3,151	(1,827)
(Increase)/Decrease in debtors	(369,678)	85,181
Increase in creditors	7,234,090	(155,227)
Interest paid	17,094	48,647
Interest received	(26,955)	(49,491)
FRS 17 Adjustment	427,000	455,000
Net cash inflow from operating activities	9,367,586	865,396

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

26. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2010	2009
	£	£
Interest paid	(17,094)	(48,647)
Interest received	26,955	49,491
	<u> </u>	<u> </u>
Net cash outflow from returns on investments and servicing of finance	<u>9,861</u>	<u>844</u>

27. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2010	2009
	£	£
Purchase of tangible fixed assets	(1,285,102)	(501,569)
Capital grants received	1,138,797	298,340
Cash received on disposal	-	-
	<u> </u>	<u> </u>
Net cash outflow from capital expenditure and financial investment	<u>(146,305)</u>	<u>(203,229)</u>

28. MANAGEMENT OF LIQUID RESOURCES

	2010	2009
	£	£
Movement in short-term deposits	451,550	288,612
	<u> </u>	<u> </u>

29. FINANCING

	2010	2009
	£	£
Loan repayments	(308,157)	(264,202)
	<u> </u>	<u> </u>
	<u>(308,157)</u>	<u>(264,202)</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

30. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2010	2009
	£	£
Increase/ (Decrease) in cash	8,471,435	110,197
Cash flow from movement in short-term deposits	451,548	288,612
Cash flow from decrease in debt	308,157	264,202
	<hr/>	<hr/>
(Increase)/ Decrease in net debt	9,231,140	663,011
Net debt at 1 August	1,090,137	427,126
	<hr/>	<hr/>
Net debt at 31 July	<u>10,321,277</u>	<u>1,090,137</u>

31. ANALYSIS OF NET DEBT

	31 July	Change	31 July
	2009	in year	2010
	£	£	£
Consolidated			
Cash at bank and in hand	1,735,788	8,471,435	10,207,223
Bank overdraft	-	-	-
	<hr/>	<hr/>	<hr/>
	1,735,788	8,471,435	10,207,223
Short-term deposits	870,289	451,548	1,321,837
Bank loan	(1,515,940)	308,157	(1,207,783)
	<hr/>	<hr/>	<hr/>
	<u>1,090,137</u>	<u>9,231,140</u>	<u>10,321,277</u>

32. FINANCIAL COMMITMENTS

At 31 July 2010, the group had annual commitments under non-cancellable operating leases as follows:

	Consolidated		Company	
	2010	2009	2010	2009
	£	£	£	£
In One Year or less	11,975	-	11,975	-
Between Two and Five Years	24,287	63,137	24,287	60,157
In Five Years or More	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>36,262</u>	<u>63,137</u>	<u>36,262</u>	<u>60,157</u>

The College has given a guarantee of £24,120 in favour of United News & Media plc/HTV plc.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

33. FINANCIAL CONTINGENCY FUNDS

	2010	2009
	£	£
Unspent at 1 August	2,282	53,518
Funding Council grants	92,254	85,188
Interest earned	32	694
	<u>94,568</u>	<u>139,400</u>
Disbursed to students	(93,797)	(137,118)
	<u>771</u>	<u>2,282</u>
Balance unspent at 31 July	<u><u>771</u></u>	<u><u>2,282</u></u>

Financial Contingency grants are available solely for students. The College acts only as paying agents. The grants and related disbursements are therefore excluded from the income and expenditure account.

During the 2009/2010 academic year, the College received £92,254 (2008/2009 - £85,188) from NAW as earmarked financial contingency funds. The funds were administered in accordance with the terms and conditions specified by the Assembly. At 31 July 2010, the College held £771 (31 July 2009 - £2,282) of funds not distributed.

34. PGCE INCENTIVE SALARIES

	2010	2009
	£	£
Incentives received	201,600	316,100
Disbursed to students	(201,600)	(316,100)
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

PGCE incentive salaries are available for PGCE students. The College acts only as paying agents. The incentives and related disbursements are therefore excluded from the income and expenditure account.

During the year, the College received £201,600 (2009 - £316,100) from the National Assembly for Wales as earmarked PGCE incentives. The funds were administered in accordance with the terms and conditions specified by the Council. All incentives were paid out in the year.

35. SOUTH WEST WALES SCHOOL OF EDUCATION

	2010	2009
	£	£
HEFCW Grant Received	2,751,889	-
Grant Disbursed to Swansea Metropolitan University	(2,751,889)	-
	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

The HEFCW grant received was for delivery of ITT provision in partnership with Swansea Metropolitan University. The College acts only as paying agents. The grant and related disbursements are therefore excluded from the income and expenditure account.

During the year, the College received £2,751,889 (2009 - £0) from the Higher Education funding Council for Wales as earmarked ITT grant. The funds were administered in accordance with the terms and conditions specified by the Council and paid out in the year.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

36. PENSION SCHEMES

There are three pension schemes in operation via the College for its staff: the Teachers' Pension Scheme and Universities Superannuation Scheme for academic staff, and the Dyfed Pension Fund (LGSS) for support staff.

LGSS

A full actuarial valuation of the scheme was carried out as at 31 March 2007 and updated to 31 July 2010 by a qualified independent actuary. The major assumptions used by the actuary were:

	2010	2009	2006
	%	%	%
Rate of increase in salaries	4.95	5.45	5.55
Rate of increase in pensions	2.7	3.7	3.8
Discount rate	5.5	6.3	5.9
Rate of inflation	2.7	3.7	3.8

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	31 July 2010	31 July 2009
Retiring today		
Males	21.2	21.2
Females	24.1	24.0
Retiring in 20 years		
Males	22.2	22.2
Females	25.0	24.0

At the last actuarial valuation date, the market value of the assets of the scheme was £9,234,000 and the present value of the scheme liabilities was £13,836,000.

Fair value of assets and expected rates of return as at 31 July 2010, 31 July 2009 and 31 July 2008 were:

	Long-term expected return at 31 July 2010	Fair value at 31 July 2010 £'000	Long-term expected return at 31 July 2009	Fair value at 31 July 2009 £'000	Long-term expected return at 31 July 2008	Fair value at 31 July 2008 £'000
Equities	7.5%	6,242	7.5%	5,120	7.5%	5,230
Government Bonds	4.2%	1,265	4.5%	1,181	4.8%	1,256
Other Bonds	5.1%	1,219	5.8%	1,189	5.9%	1,163
Property	6.5%	259	-	-	-	-
Other	0.5%	249	0.5%	130	5.0%	101
Total market value of assets		9,234		7,620		7,750
Present value scheme liabilities		(13,836)		(12,582)		(11,891)
(Deficit)/surplus in scheme		(4,602)		(4,962)		(4,141)

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

36. PENSION SCHEMES (continued)

Analysis of amount charged to operating profit

	For year to 31 July 2010 £'000	For year to 31 July 2009 £'000
Current service cost	561	596
Total operating charge	<u>561</u>	<u>596</u>

Analysis of finance income and charges

	For year to 31 July 2010 £'000	For year to 31 July 2009 £'000
Expected return on assets	496	512
Interest on pension liabilities	(810)	(718)
Net finance return	<u>(314)</u>	<u>(206)</u>

Movement in scheme deficit during the year

	For year to 31 July 2010 £'000	For year to 31 July 2009 £'000
(Deficit)/surplus in scheme at beginning of the year	(4,962)	(4,141)
Movement in year		
Current service cost	(561)	(596)
Contributions paid by the employer	448	347
Past Service/Curtailment/Settlement Gain	935	-
Net return	(314)	(206)
Actuarial gain(loss)	(148)	(366)
Deficit in scheme at the end of the year	<u>(4,602)</u>	<u>(4,962)</u>

Analysis of the movement in the present value of the scheme's liabilities

	31 July 2010 £'000	31 July 2009 £'000
At 1 August	(12,582)	(11,891)
Current service cost	(561)	(596)
Interest cost	(810)	(718)
Member contributions	(206)	(195)
Actuarial gains and losses	(822)	592
Benefits paid	210	226
Past service cost	935	-
At 31 July	<u>(13,836)</u>	<u>(12,582)</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

36. PENSION SCHEMES (continued)

Analysis of the movement in the present value of the scheme's assets

	31 July 2010	31 July 2009
	£'000	£'000
At 1 August	7,620	7,750
Expected rate of return on scheme assets	496	512
Actuarial gains and losses	674	(958)
Employer contributions	448	347
Members contributions	206	195
Benefits paid	(210)	(226)
At 31 July	9,234	7,620

	2010	2009	2008	2007	2006
	£000	£000	£000	£000	£000
Difference between the expected and actual return on assets					
Amount	674	(958)	(927)	79	402
Percentage of scheme assets	7.3%	12.6%	12%	1%	5.7%
Experience gains/(losses) on scheme liabilities					
Amount	(822)	600	590	0	(191)
Percentage of the present value of scheme liabilities	5.9%	4.8%	5%	0%	2.3%
Actuarial gain recognised in STRGL					
Amount	148	366	2,591	(62)	(278)
Percentage of present value of year end scheme liabilities	1.1%	2.9%	22.1%	0.7%	3.3%

The tax credits associated with UK equity dividends were abolished with effect from 2 July 1997. This has the effect of reducing the overall expected investment return in the long term. The actuary of the LGSS has reported that to allow for this reduction in return would require an increase in the Common Contribution of 1.2% of pensionable pay.

Teachers' Pension Scheme

The College is a member of the Teachers' Pension Scheme (TPS) which is a defined benefit scheme. The TPS is an unfunded scheme. Contributions on a "pay-as-you-go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in the Financial Reporting Standard 17 Retirement Benefits, the TPS is a multi-employer pension scheme. The TPS is unable to provide for the College an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS 17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme. Set out below is the information available on the deficit in the scheme and the implications for the College in terms of the anticipated contribution rates.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

36. PENSION SCHEMES (continued)

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of contribution levels are as follows:

Latest actuarial valuation	31 March 2004
Actuarial method	prospective benefits
Real rate of return	3.5% in excess of prices and 2% in excess of earnings per annum
Rate of real earnings growth	1.5% per annum
Gross rate of return	6.5% per annum

The value of the notional assets at 31 March 2010 was £163,240 million (estimated future contributions together with the proceeds from the notional investments held at the valuation date).

Following implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2001, the government actuary carried out a further review on the level of employer's contributions. For the period from 1 August 2010 to July 2010, the employer contribution was 14.1%.

USS

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, the institution is unable to identify its share of the underlying asset and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by the FRS 17 "retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2008. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.4% per annum, salary increases would be 4.3% per annum (plus an additional allowance for increases in salaries due to age and promotion and a further amount of £1.35bn of liabilities to reflect recent experience) and pensions would increase by 3.3% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.1% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 4.3% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 3.3% per annum.

At the valuation date, the value of the assets of the scheme was £28,843 million and the value of the past service liabilities was £40,619 million indicating a deficit of £11,776 million. The assets therefore were sufficient to cover 71% of the benefits which had accrued to members after allowing for expected future increases in earning.

The employer contribution rate paid by the Institution to USS for the period 1 August 2009 to 30 September was 14% of pensionable salaries and 16% for the period 1 October to 31 July 2010.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment.

The next formal triennial actuarial valuation is due as at 31 March 2011. The contribution rate will be reviewed as part of each valuation.

The total pension cost for the institution was £40,035 (2008/09 £26,440).

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

37. POST BALANCE SHEET EVENTS

Following the year end Trinity College Carmarthen merged with The University of Wales Lampeter and will be known as University of Wales Trinity Saint David.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

ADDITIONAL INFORMATION

The following additional financial information has been prepared from the accounting records of the company. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditors' report thereon.

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

	2010	2009
	£	£
INCOME		
Funding Council grants	7,506,419	7,305,390
Tuition fees	4,354,913	3,956,161
Research grants and contracts	-	226,153
Other operating income	4,048,910	3,399,367
Investment income	16,765	8,370
	<u>15,927,007</u>	<u>14,895,441</u>
EXPENDITURE		
Staff costs	9,563,427	9,429,161
Other operating charges	5,565,607	5,145,295
Depreciation	337,542	398,630
Interest payable	17,094	48,647
	<u>(15,483,670)</u>	<u>(15,021,733)</u>
Surplus/ (Deficit) for year	<u>443,337</u>	<u>(126,292)</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

	2010	2009
	£	£
Sales	-	-
Other income	975	975
Interest receivable	903	5,098
	<u>1,878</u>	<u>6,073</u>
General expenses	(566)	(573)
Write off	-	-
Depreciation	-	-
	<u>(566)</u>	<u>(573)</u>
Surplus for year	<u><u>1,312</u></u>	<u><u>5,500</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2010

	2010	2009
	£	£
INCOME		
Other operating income	490,355	447,143
	<u> </u>	<u> </u>
EXPENDITURE		
Staff costs	(291,681)	(286,038)
Other operating charges	(176,958)	(141,261)
Parent company transfer	237,054	<u> </u>
	<u>(231,585)</u>	<u>(427,299)</u>
Deficit for year	<u>258,770</u>	<u>19,844</u>

DETAILED INCOME AND EXPENDITURE ACCOUNT

TRINITY COLLEGE
Year ended 31 July 2010

	Total funds 2010 £	Total funds 2009 £
Incoming resources		
Residential courses	59,357	66,338
Rents and room hire	83,733	84,127
Investment income	108,379	26,859
Release of deferred capital grants	-	-
Realised gain on disposal of Fixed asset	1,030,000	-
Donations and gifts	235,745	154,141
	<u>1,517,214</u>	<u>331,465</u>
Resources expended		
Direct charitable expenditure	(22,083)	(5,188)
Management and administration of charity	(137)	(781)
Depreciation	(216,958)	(216,958)
	<u>(239,178)</u>	<u>(222,927)</u>
Total resources expended	<u>(239,178)</u>	<u>(222,927)</u>
Net incoming resources for year	<u><u>1,278,036</u></u>	<u><u>108,538</u></u>