

TRINITY COLLEGE CARMARTHEN

Consolidated Financial Statements

31 July 2009

**Mazars LLP
Bristol**

REPORT AND FINANCIAL STATEMENTS 2009

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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

The Venerable Alun Evans

Canon Derek Evans (Resigned 2 July 2009)

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

Mr Gareth Cole, Student President (resigned 2 July 2009)

Rhys David Parry, Student President (appointed 2 July 2009)

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

TREASURER'S REPORT

Annual Report 2008-09

Operating and Financial Review

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 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. This was recently conferred by the QAA Institutional Review when they noted as a feature of good practice the University's mission and the role of the University in addressing the needs of bilingualism. As the only denominational institution of higher education in Wales, its distinctiveness is a particularly important feature.

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 vision of Trinity 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. With the emergence of additional funding being made available through European Convergence Funds, the University is well placed to develop new and innovative schemes which will strengthen and reaffirm the role of the institution.

Following an extensive audit by the Quality Assurance Agency (QAA) during the academic year 2007-08, Trinity's application for degree awarding powers was successful and the status of a University College was conferred on the institution. This is seen as crucial for further strategic developments within the region, in particular the potential of ever closer strategic links with FE and secondary providers and to develop a new confederal model of learning opportunities.

Review of Activities

In establishing the key priorities for the future, the University is mindful of the significant progress that has been achieved during the last academic year, as the following exemplify:

- Achievement of degree awarding powers and the status of a University College
- Agreement to establish a new University with University of Wales Lampeter
- Retaining the status as an Investors in People
- Increasing the level of Welsh medium and bilingual provision
- Providing additional support for students through bursaries, scholarships and internships
- Extending widening access provision
- Increasing the level of income derived through project development
- Further development of the South West Wales Higher Education Partnership
- Implementation of AUR – the ‘going for gold’ initiative
- Establishment of a new centre for innovation
- Introduction of The Trinity Community Awards and the associated Awards Event

Public Benefit

The organisation delivers high quality education and training to over 2000 full and part-time students following a range of academic and vocational programmes. Over 80% of students are domiciled within a range of 50 miles of Carmarthen and 92% are gainfully employed within six months of completion of their learning programmes. There is quantifiable benefit to the learning community of west Wales and beyond, with a substantial input to the cultural, economic and social development of the area.

Learners are eligible to receive financial support from the organisation to assist them fulfil the requirements of the learning programmes, including hardship funds, scholarships, bursaries, internships and support for crèche provision. Many students undertake voluntary work within the communities, enhancing both the student experience and valuable support to those organisations.

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.

All trustees give of their time freely

Financial Health

The designation of financial health by HEFCW no longer applies however Trinity 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 investment in the University estate to ensure fitness for purpose and meet the increasing demands of its clients;
- maintaining a balance of staffing that is both effective and efficient;
- 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 Higher – Reaching Wider Agenda;
- further diversification of income streams and
- expanding its community and part-time provision.

End of Year Position

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

The annual financial statements of Trinity College and its subsidiary companies for the year to 31 July 2009 show a relatively sound financial position with an operating surplus of £65,665 after another significant increase in the impact of the Financial Reporting Standard 17 Retirement Benefits (FRS 17) and total net assets of £14.217m.

Income and Expenditure

The University's Consolidated Income and Expenditure Account for 2008/09 is summarised as follows:

	2008/09	2007/08
	£k	£k
Income	15,492	14,092
Expenditure	15,426	14,104
Operating Surplus	66	(12.0)

The figures exclude disposal of assets and represent the operating position of the institution.

The increase in income (9.9%) is derived from increases in HEFCW specific grants, tuition fees and research income, this despite a fall in the HEFCW recurrent grant as a result of lower student progression/ recruitment.

The increase in expenditure (9.3%) derived from the implementation of the new pay scale across the institution and increased utility charges.

Balance Sheets

The net value of the University's assets stands at £14.217m, an increase of £223k over the previous year. The University invested £501,569 in University infrastructure and equipment, funded in part by the HEFCW Capital Learning and Teaching Fund.

Investment Performance and Cash Flow

Cash balances are administered in accordance with the University's Treasury Management Policy. The University's investments are placed in 'Moneymarket' accounts.

The level of cash, cash deposits and realisable investments stood at £2,535k at the balance sheet date, an increase of £134k over the previous year. Mortgage liability stands at £1,207k with no outstanding bank loans.

Key Variances

HEFCW Grant +£467,974

Hefcw grant increased by 6.8% mainly through specific grants for purpose rather than an increase in students numbers. The main element of this grant increase is due to reconfiguration and collaboration.

Tuition Fees +£657,556

Tuition fee income increased by 19% with the final instalment of the variable tuition fee regime for third year students.

Research Grant -£2,647

Research income remained static with a single project in progress.

Other Operating Income +£319,179

Other operating income increased by 8.9% overall; income from EU projects increased by 18% and a substantial increase in other income generating activity.

Staff Costs +£1,024,016

Staff costs increased by 11.7%. An expansion in staff numbers is evident as the institution has embarked on new areas of activity such as the associate faculty and work based learning. A further factor was the payment of the final element of the pay deal delivering a 5% increase in salary in October. See below.

Other Operating Expenditure + £367,200

Other operating expenditure increased by 8% attributable specifically to increased costs for administration and central services. Specific areas include the expansion of funded projects, expenditure on student bursaries (based on the full implementation of student fees) and gearing up for the establishment of the new University. The increased income in these areas has been noted above.

Pension Schemes

Despite increasing the FRS 17 provision by ca. £259k, the liability incurred amounted to £455k; the unpredictable nature of this liability still has had an adverse impact of the University's surplus.

Disclosure Framework

2008/09 has been a challenging and dynamic financial year. Increases in income from tuition fees have been balanced by a smaller number of students and retention of staff to maintain quality assurance during a period of restructuring resulting from Welsh Assembly policy changes to teacher training numbers.

Most significant has been the necessity to invest in staff time to develop the infrastructure necessary to be able to establish the new University of Wales: Trinity St David. The development of a business plan, undertake due diligence exercises, project plan in addition to running a vibrant University College at Carmarthen has presented a significant human resource as well as a financial challenge. This investment has been made without a significant financial input from HEFCW during the financial year 2008/09.

The positive recommendation from the QAA's Advisory Committee on Degree Awarding Powers (ACDAP) in July 2008 resulted in the status of University College being conferred on the institution. This accolade was fully celebrated by the University, the Town and County Councils through a series of events.

The sale of land still figures in the accounts as incomplete. The University has taken the opportunity of the financial downturn to renegotiate the planning terms, resulting in a positive outcome by reduced contribution to educational and recreational schemes. Completion is now expected by 1 December 2009.

The South West Wales Higher Education Partnership (SWWHEP) Project became fully functional. The four year, £7M project, funded in part by the Higher Education Funding Council (HEFCW), is designed to increase the level of collaboration between HEIs. Staffing levels have increased as a result, although the predicted efficiency savings may not become apparent until 2010 at project conclusion.

Key Performance Indicators

The University has a close regard to established good practice¹; and publishes a set of institutional performance indicators. The indicators are reviewed continuously and reported at Council meetings.

KPI 5: Financial Health

The University is aware of the need to increase annual surpluses in order to afford a high quality service and provision for students and to provide security for staff. A key priority activity for the 2009/10 academic year will be the current FRS 17 framework and securing additional surpluses.

The success of the University's business and the delivery of its goals are built on continuing to conduct its affairs from a platform of sound financial management.

The aims of the financial strategy are to achieve long-term financial security and match resources with University strategic objectives and to invest our resources to obtain the best return for the University in the short, medium and longer term.

The University will plan to take forward the following actions in order to achieve the aims set out above.

¹ Committee of University Chairmen's Report on the Monitoring of Institutional Performance, November 2006

- *Increasing part time and flexible mode student numbers*
- *Improved balance between full and part time programmes*
- *Payroll costs to stabilise in real terms*
- *Focus on controlling staff costs (<60% of total income)*
- *Income – diversification (European, profitable consultancy and project development)*
- *Planned increase in non-HEFCW income (project development, diversification)*
- *Surplus on continuing operations = 3% of total income*
- *Expenditure on the estate = 6% of total income*
- *Introduction of a development fund from Third Mission activity*
- *Building capital assets*

The University is fully committed to maintaining the equivalent of its Category ‘A’ status, however there are challenges to be addressed in terms of the following:

- maintaining a sufficient level of investment in the University estate to ensure fitness for purpose and meet the increasing demands of its clients;
- investment in new staff to be able to delivery key WAG agendas;
- maintaining a balance of staffing that is both effective and efficient to be sustainable;
- responding to the changing context in Wales in terms of the Reaching Higher – Reaching Wider Agenda;
- further diversification of income streams and
- expanding its community and part-time provision.

Particular Matters of Disclosure

Eclectica Drindod Ltd

Eclectica has been established as a private company limited by guarantee, with no share capital.

The company has a board of directors with an independent chair. The objects of the company are to:

- support the Learning and Teaching and Third Mission activities of Trinity University;
 - enhance University estate through collaborative initiatives with local and national bodies;
 - develop and further the careers of graduates from Trinity University College and other educational establishments, by assisting them in the creation of new and innovative enterprise activities, particularly in the cultural, community and social context;
 - provide a mechanism for engaging with public bodies and voluntary organisations to initiate culturally orientated activities, education and training provision, including conferences, events, festivals and concerts and
- undertake such activity as is beneficial to the aims and activities of Trinity University College Carmarthen.

Eclectica is responsible for managing ‘Y Llwyfan’ and will have a key role in developing the new campus and attracting appropriate partners and clients to ensure viability and sustainability.

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 IiP 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 (ISO 14001).
- 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 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
- Lack of compliance
- Loss of capacity to deliver the University's Mission

Conclusion

The financial challenges of 2008/09 are likely to continue into 2009/010 given the dynamic changes in economic stability and the level of investment of human resources needed to meet the new university agenda. Previous investment made in the learning and teaching environment and additional human capital to move forward with the new University has paid clear dividends in terms of institutional development to date; the University is comparatively well placed to meet its future challenges.

Brian Clarke

Director

28 November 2009

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 2009, the College has been in compliance with all the provisions set out in Section 1 of the Combined Code on Corporate Governance insofar 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. A multi-disciplinary group meets at least once a term to review the overall approach to risk management and to allow a wide range of perspectives across the College to contribute directly to the identification and review of risk areas. 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 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: 23 November 2009

Principal – Dr M Hughes

Date: 23 November 2009

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.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 July 2009

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

We have audited the financial statements for the year ended 31 July 2009 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.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 2009

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 2009, 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 2008 to 31 July 2009.

Mazars LLP
Chartered Accountants
and Registered Auditors
Bristol

Date: 26 January 2010

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 July 2009

	Note	2009	2008
		£	£
INCOME			
Funding Council Grants	2	7,386,873	6,918,899
Tuition fees	3	3,956,161	3,298,605
Research Grants and Contracts	4	226,153	228,800
Other operating income	5	3,873,170	3,553,991
Investment income	6	49,491	91,979
		<u>15,491,848</u>	<u>14,092,274</u>
EXPENDITURE			
Staff costs	7	9,729,303	8,705,287
Other operating costs	8	4,939,757	4,572,557
Depreciation		708,476	709,698
Interest payable	9	48,647	116,792
		<u>15,426,183</u>	<u>14,104,334</u>
(Deficit)/Surplus on continuing operations after depreciation of assets and before tax		65,665	(12,060)
Realised gain	10	-	2,500,000
Taxation	11	-	-
		<u>65,665</u>	<u>2,487,940</u>

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

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

Year ended 31 July 2009

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Year ended 31 July 2009

	2009	2008
	£	£
(Deficit)/Surplus on continuing operations after depreciation of assets, disposal of assets and tax	65,665	2,487,940
Actuarial gain(loss) on Pension Scheme	(366,000)	(2,606,000)
Movement in special fund	(35,871)	4,099
	<u>(336,206)</u>	<u>(113,961)</u>
 Total recognised gains and losses related to the year	 <u>(336,206)</u>	 <u>(113,961)</u>
 RECONCILIATION		
Opening reserves and special funds	4,082,539	4,196,500
Contributions received		
Total recognised gains and losses for the year	<u>(336,206)</u>	<u>(113,961)</u>
 Closing reserves and special funds	 <u>3,746,333</u>	 <u>4,082,539</u>

TRINITY COLLEGE CARMARTHEN

BALANCE SHEETS
31 July 2009

	Note	Consolidated		Trinity College, Carmarthen Foundation Limited	
		2009	2008	2009	2008
		£	£	£	£
FIXED ASSETS					
Tangible assets	12	11,398,980	11,605,886	1,890,420	1,871,070
Works of art	13	36,046	36,046	-	-
Investments	14	105	105	1,100	1,100
		<u>11,435,131</u>	<u>11,642,037</u>	<u>1,891,520</u>	<u>1,872,170</u>
CURRENT ASSETS					
Stocks	15	44,423	42,596	44,423	42,596
Debtors	16	3,796,363	3,881,544	8,123,312	8,287,861
Short-term deposits		870,289	581,677	-	-
Cash at bank and in hand		1,664,645	1,819,248	787,363	956,711
		<u>6,375,720</u>	<u>6,325,065</u>	<u>8,955,098</u>	<u>9,287,168</u>
CREDITORS: amounts falling due within one year	17	<u>(3,593,933)</u>	<u>(3,972,828)</u>	<u>(5,989,418)</u>	<u>(6,414,309)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>2,781,787</u>	<u>2,352,237</u>	<u>2,965,680</u>	<u>2,872,859</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		14,216,918	13,994,274	4,857,200	4,745,029
CREDITORS: amounts falling due after more than one year	18	(1,207,227)	(1,548,431)	(1,207,227)	(1,548,431)
PROVISIONS FOR LIABILITIES AND CHARGES	19	<u>(1,406,074)</u>	<u>(1,412,798)</u>	<u>(1,406,074)</u>	<u>(1,412,798)</u>
		11,603,617	11,033,045	2,243,899	1,783,800
SPECIAL FUND BANK DEPOSITS	21	<u>71,143</u>	<u>107,014</u>	-	-
NET ASSETS EXCLUDING PENSION LIABILITY		11,674,760	11,140,059	2,243,899	1,783,800
Pension Liability		<u>(4,962,000)</u>	<u>(4,141,000)</u>	<u>(4,962,000)</u>	<u>(4,141,000)</u>
		<u><u>6,712,760</u></u>	<u><u>6,999,059</u></u>	<u><u>(2,718,101)</u></u>	<u><u>(2,357,200)</u></u>

BALANCE SHEETS
31 July 2009

(Continued)

Deferred capital grants	20	2,966,428	2,916,520	510,507	379,116
Special funds	21	71,143	107,014	-	-
RESERVES					
Farm capital account	22	35,893	35,893	-	-
Accumulated fund	23	8,592,427	8,071,762	1,733,392	1,404,684
Pension reserve	23	(4,962,000)	(4,141,000)	(4,962,000)	(4,141,000)
Higher Education Funding Council for Wales	24	8,870	8,870	-	-
TOTAL RESERVES		<u>3,675,190</u>	<u>3,975,525</u>	<u>(3,228,608)</u>	<u>(2,736,316)</u>
		<u>6,712,761</u>	<u>6,999,059</u>	<u>(2,718,101)</u>	<u>(2,357,200)</u>

These financial statements were approved by the governors on 23 November 2009

Dr M Hughes - Principal

The Venerable A J Randolph Thomas - Chairman

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2009

	Note	2009 £	2008 £
Net cash inflow from operating activities	25	865,396	(386,254)
Returns on investments and servicing of finance	26	844	(24,813)
Capital expenditure and financial investment	27	(203,229)	1,768,804
Management of liquid resources	28	(288,612)	(59,227)
		<hr/>	<hr/>
Net cash inflow before financing		374,399	1,298,510
Financing activities	29,31	(264,202)	(203,922)
		<hr/>	<hr/>
Increase in cash in the year	30,31	<u>110,197</u>	<u>1,094,588</u>

NOTES TO THE ACCOUNTS

Year ended 31 July 2009

1. ACCOUNTING POLICIES

Strategic plan

The HEFCW requested the preparation of a five-year strategic plan covering the period 2008/2009 to 2012/2013.

The governors have reviewed the forecasts and consider that, at the time of approval of the financial statements, there is no significant concern that the College will be unable to operate within its current bank and funding facilities for the foreseeable future.

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. 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 11 % of their gross pay until March 2008 and 13.2% 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 2009

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 2009

	2009	2008
	£	£
2. FUNDING COUNCIL GRANTS		
HEFCW Recurrent Grants	5,699,322	5,596,360
HEFCW Specific Grants	1,346,705	994,796
Release from Deferred Grants	248,432	237,745
FEFCW Recurrent grants	92,414	89,998
	<u>7,386,873</u>	<u>6,918,899</u>
3. TUITION FEES		
Full Time Students (UK and EU)	3,581,844	3,051,884
Full Time Students (Non EU)	197,600	103,308
Part Time Students	176,717	143,413
	<u>3,956,161</u>	<u>3,298,605</u>
4. RESEARCH GRANTS AND CONTRACTS		
Research Councils	206,462	220,279
UK Based Charities	19,691	8,521
	<u>226,153</u>	<u>228,800</u>
5. OTHER OPERATING INCOME		
Catering and residence operations	2,126,124	2,123,696
EU Grants	152,753	129,135
Other income generating activities	1,594,293	1,301,160
	<u>3,873,170</u>	<u>3,553,991</u>
6. INVESTMENT INCOME		
Bank and other interest received	<u>49,491</u>	<u>91,979</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

7. STAFF NUMBERS AND COSTS

	2009	2008
	No.	No.
The average weekly number of persons employed by the College during the year was		
Teaching departments	164	150
Teaching support services	16	16
Other support services	11	13
Administration and central services	89	86
Premises	21	21
Catering and residence	43	51
	<u>344</u>	<u>337</u>
	2009	2008
	£	£
Staff costs for the above persons		
Teaching departments	4,598,773	4,312,946
Teaching support services	286,038	235,118
Other teaching support services	332,755	305,920
Administration and central services	2,910,010	2,411,818
Premises	472,632	455,230
Catering and residence	546,650	499,960
Redundancy costs	22,459	20,678
Pension Interest	104,986	204,617
Current Service charge	(347,000)	408,000
Past service/Curtailments/Settlement gains	596,000	109,000
Contributions received under FRS17	-	(279,000)
Pension Interest	206,000	21,000
	<u>9,729,303</u>	<u>8,705,287</u>
Wages and salaries	7,737,315	6,967,368
Social security costs	622,014	537,517
Other pension costs	1,347,515	1,179,724
Redundancy costs	22,459	20,678
	<u>9,729,303</u>	<u>8,705,287</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

7. STAFF NUMBERS AND COSTS (continued)

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

	2009	2008
	No.	No.
£100,000 - £109,999	-	-
£110,000 - £119,999	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:

	2009	2008
	£	£
Salary	155,008	116,973
Benefits in kind	13,850	13,051
	<u>168,858</u>	<u>130,024</u>
Pension contributions	<u>22,097</u>	<u>18,695</u>

The emoluments of the Vice Chancellor shown are those paid by Trinity University College up to the 31 July 2009. However from 1 May 2009 the Vice Chancellor became acting Vice Chancellor for Lampeter University and a proportion of the emoluments from May have been shared with Lampeter University.

8. OTHER OPERATING COSTS

	2009	2008
	£	£
Teaching departments	781,343	1,045,306
Teaching support services	167,766	146,116
Other teaching support services	62,020	61,282
Administration and central services	2,570,354	1,685,361
Premises	644,821	873,375
Catering and residences	673,961	720,195
Auditors remuneration - External	18,532	20,922
Auditors remuneration - Internal	20,960	20,000
Auditors remuneration - other	-	-
	<u>4,939,757</u>	<u>4,572,557</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

9. INTEREST PAYABLE

	2009	2008
	£	£
On bank loans, overdrafts and other loans Repayable in more than five years	48,647	116,792
	<u>48,647</u>	<u>116,792</u>

10. SURPLUS ON CONTINUING OPERATIONS BEFORE TAX

	2009	2008
	£	£
The surplus on continuing operations before tax is after charging		
Depreciation - owned assets	708,476	709,698
Auditors' remuneration		
- external audit	21,075	20,922
- internal audit	20,960	20,000
- other services by external auditors	-	-
	<u>750,511</u>	<u>750,620</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 2009

12. TANGIBLE FIXED ASSETS

Consolidated	Motor vehicles	Equipment, fixtures and fittings	Freehold land and buildings	Total
	£	£	£	£
Cost				
At 1 August 2008	63,265	3,756,603	14,893,675	18,713,543
Additions in the year	-	282,369	219,200	501,569
Disposals in the year	-	(401,690)	-	(401,690)
	<u>63,265</u>	<u>3,637,282</u>	<u>15,112,875</u>	<u>18,813,422</u>
At 31 July 2009	63,265	3,637,282	15,112,875	18,813,422
Accumulated depreciation				
At 1 August 2008	48,686	3,357,494	3,701,477	7,107,657
Charge for the year	6,919	344,876	356,680	708,475
Removed in the year	-	(401,690)	-	(401,690)
	<u>55,605</u>	<u>3,300,680</u>	<u>4,058,157</u>	<u>7,414,442</u>
At 31 July 2009	55,605	3,300,680	4,058,157	7,414,442
Net book value				
At 31 July 2009	<u>7,660</u>	<u>336,602</u>	<u>11,054,718</u>	<u>11,398,980</u>
At 31 July 2008	<u>14,579</u>	<u>399,109</u>	<u>11,192,198</u>	<u>11,605,886</u>
Trinity College, Carmarthen Foundation Limited				
Cost				
At 1 August 2008	63,265	3,039,787	1,855,104	4,958,156
Additions in the year	-	282,369	135,611	417,980
Disposals in the year	-	(401,690)	-	(401,690)
Transfers	-	-	-	-
	<u>63,265</u>	<u>2,920,466</u>	<u>1,990,715</u>	<u>4,974,446</u>
At 31 July 2009	63,265	2,920,466	1,990,715	4,974,446
Accumulated depreciation				
At 1 August 2008	48,686	2,679,230	359,170	3,087,086
Charge for the year	6,919	302,911	88,800	398,630
Removed in the year	-	(401,690)	-	(401,690)
	<u>55,605</u>	<u>2,580,451</u>	<u>447,970</u>	<u>3,084,026</u>
At 31 July 2009	55,605	2,580,451	447,970	3,084,026
Net book value				
At 31 July 2009	<u>7,660</u>	<u>340,015</u>	<u>1,542,745</u>	<u>1,890,420</u>
At 31 July 2008	<u>14,579</u>	<u>360,557</u>	<u>1,459,934</u>	<u>1,871,070</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

13. WORKS OF ART

	Consolidated
	£
Cost	
At 1 August 2008	36,046
Additions	-
	<hr/>
Balance at 31 July 2009	36,046
	<hr/> <hr/>

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	
	2009	2008	2009	2008
	£	£	£	£
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	5	-	-
100 ordinary £1 shares – Welsh Networking Limited	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>
	105	105	1,100	1,100
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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	
	2009	2008	2009	2008
	£	£	£	£
Stocks and Stores	44,423	42,596	44,423	42,596
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

16. DEBTORS

	Consolidated		Trinity College Carmarthen Foundation Limited	
	2009	2008	2009	2008
	£	£	£	£
DUE WITHIN ONE YEAR				
Debtors for goods and services	788,414	982,816	2,932,118	2,819,735
Trinity College Library and Ancillary Services (Carmarthen) Limited	-	-	811,299	1,257,463
Other debtors	2,500,790	2,502,926	-	-
Prepaid expenditure	507,159	395,802	529,213	359,981
	<u>3,796,363</u>	<u>3,881,544</u>	<u>4,272,630</u>	<u>4,437,179</u>
DUE AFTER ONE YEAR				
Trinity College	-	-	3,850,682	3,850,682
	<u>3,796,363</u>	<u>3,881,544</u>	<u>8,123,312</u>	<u>8,287,861</u>

EXCEPTIONAL COSTS

Trinity University College incurred exceptional costs of £145,993 as part of the process of creating a new university and have been treated as a debtor as the costs will be repaid by the Higher Education Funding Council for Wales.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Trinity College, Carmarthen Foundation Limited	
	2009	2008	2009	2008
	£	£	£	£
Bank overdraft	-	300,761	-	300,761
Bank loan (note 18)	308,713	231,711	308,713	231,711
Creditors for goods and services	2,205,910	1,790,794	627,460	1,168,398
Student indemnity bonds	10,069	18,975	10,069	18,975
Other creditors including tax and social security	334,006	363,960	331,478	363,960
Trinity College Carmarthen	-	-	9,366	35,802
Trinity College Library and Ancillary Services (Carmarthen) Limited	-	-	3,039,514	3,156,170
Accruals and deferred income	735,235	1,266,627	1,662,818	1,138,532
	<u>3,593,933</u>	<u>3,972,828</u>	<u>5,989,418</u>	<u>6,414,309</u>

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

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

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

	Trinity College, Carmarthen Foundation Limited And Consolidated	
	2009	2008
	£	£
Bank loan	1,207,227	1,548,431

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 6 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	
	2009	2008
	£	£
Due		
Within one year	308,713	231,711
After one year		
One to two years	312,572	245,035
Two to five years	894,655	822,928
After five years	-	480,468
	<u>1,207,227</u>	<u>1,548,431</u>
Total	<u>1,515,940</u>	<u>1,780,142</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Trinity College, Carmarthen Foundation Limited and Consolidated	
	2009	2008
	£	£
Pension provision	1,406,074	1,412,798
Pensions		
Balance at 1 August	1,412,798	1,317,862
Payments in year	(111,710)	(109,681)
Charge for the year	104,986	204,617
Balance at 31 July	1,406,074	1,412,798

20. DEFERRED CAPITAL GRANTS

CONSOLIDATED	Hefcw	Other grants	Total
	£	£	£
At 1 August			
Land and buildings	2,500,431	320,838	2,821,269
Equipment	95,251	-	95,251
Grants capitalised in year			
Land and buildings	135,611	-	135,611
Equipment	162,729	-	162,729
Released to income and expenditure account			
Land and buildings	97,013	7,050	104,063
Equipment	144,369	-	144,369
At 31 July			
Land and buildings	2,539,029	313,788	2,852,817
Equipment	113,611	-	113,611

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

20. DEFERRED CAPITAL GRANTS (continued)

TRINITY COLLEGE, CARMARTHEN FOUNDATION LIMITED	Hefcw	Other grants	Total
	£	£	£
At 1 August			
Land and buildings	208,027	75,838	283,865
Equipment	95,251	-	95,251
Grants capitalised in year			
Land and buildings	135,611	-	135,611
Equipment	162,729	-	162,729
Released to income and expenditure account			
Land and buildings	20,530	2,050	22,580
Equipment	144,369	-	144,369
At 31 July			
Land and buildings	<u>323,108</u>	<u>73,788</u>	<u>396,896</u>
Equipment	<u>113,611</u>	<u>-</u>	<u>113,611</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	
	2009	2008
	£	£
Total		
Balance at 1 August	107,014	102,915
Income for year	3,320	5,029
Awards and payments	(860)	(930)
Transfers	(38,331)	-
	<u>71,143</u>	<u>107,014</u>
Balance at 31 July	<u>71,143</u>	<u>107,014</u>
Students' Amenities Fund (Legacy from W J Roberts deceased)		
Balance at 1 August	1,710	1,617
Interest credited	60	93
	<u>1,770</u>	<u>1,710</u>
Balance at 31 July	<u>1,770</u>	<u>1,710</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

21. SPECIAL FUNDS (continued)

	Consolidated	
	2009	2008
	£	£
Sports Bursaries Fund		
Balance at 1 August	12,693	12,046
Interest credited	447	697
Payments	(50)	(50)
	<u>13,090</u>	<u>12,693</u>
Balance at 31 July	<u><u>13,090</u></u>	<u><u>12,693</u></u>
Education Bursaries Fund		
Balance at 1 August	13,670	13,348
Interest credited	484	772
Payments	(390)	(450)
	<u>13,764</u>	<u>13,670</u>
Balance at 31 July	<u><u>13,764</u></u>	<u><u>13,670</u></u>
Gwobr Goffa Griffidd Jones Fund		
Balance at 1 August	3,465	3,276
Interest credited	123	189
Transfer	(3,588)	-
	<u>-</u>	<u>3,465</u>
Balance at 31 July	<u><u>-</u></u>	<u><u>3,465</u></u>
Chancellor Elwyn Ll. Thomas Bursary		
Balance at 1 August	1,235	1,205
Interest credited	44	70
Payments	(40)	(40)
	<u>1,239</u>	<u>1,235</u>
Balance at 31 July	<u><u>1,239</u></u>	<u><u>1,235</u></u>
Stuart Burrows Music Scholarship		
Balance at 1 August	8,655	8,371
Interest credited	306	484
Payments	(200)	(200)
	<u>8,761</u>	<u>8,655</u>
Balance at 31 July	<u><u>8,761</u></u>	<u><u>8,655</u></u>
D D Rees Memorial Fund		
Balance at 1 August	2,560	2,514
Interest credited	90	146
Payments	(80)	(100)
	<u>2,570</u>	<u>2,560</u>
Balance at 31 July	<u><u>2,570</u></u>	<u><u>2,560</u></u>
Theology Centre Appeal		
Balance at 1 August	2,711	2,711
Transfer	(2,711)	-
	<u>-</u>	<u>2,711</u>
Balance at 31 July	<u><u>-</u></u>	<u><u>2,711</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

21. SPECIAL FUNDS (continued)

	Consolidated	
	2009	2008
	£	£
Gwobr Tudor Bevan Fund		
Balance at 1 August	1,285	1,252
Interest credited	46	73
Payments	(50)	(40)
	<u>1,281</u>	<u>1,285</u>
Balance at 31 July	<u><u>1,281</u></u>	<u><u>1,285</u></u>
J E Mock Bursary Fund		
Balance at 1 August	2,366	2,282
Interest credited	84	134
Payments	(50)	(50)
	<u>2,400</u>	<u>2,366</u>
Balance at 31 July	<u><u>2,400</u></u>	<u><u>2,366</u></u>
A Bonner Steel Fund		
Balance at 1 August	25,372	23,987
Interest credited	896	1,385
	<u>26,268</u>	<u>25,372</u>
Balance at 31 July	<u><u>26,268</u></u>	<u><u>25,372</u></u>
150th Anniversary Appeal		
Balance at 1 August	31,292	30,306
Received	740	25
Interest credited	-	961
Transfer	(32,032)	-
	<u>-</u>	<u>31,292</u>
Balance at 31 July	<u><u>-</u></u>	<u><u>31,292</u></u>
TOTAL FUNDS	<u><u>71,143</u></u>	<u><u>107,014</u></u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

22. FARM CAPITAL ACCOUNT

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

23. ACCUMULATED FUND

	Consolidated		Trinity College, Carmarthen Foundation Limited	
	2009	2008	2009	2008
	£	£	£	£
Balance brought forward (including pension)	3,930,762	4,048,822	(2,736,316)	(155,789)
Net (deficit)/ surplus for the year	(300,335)	(118,060)	(492,292)	(2,580,527)
Surplus carried forward	3,630,427	3,930,762	(3,228,608)	(2,736,316)

24. HIGHER EDUCATION FUNDING COUNCIL FOR WALES

	Consolidated	
	2009	2008
	£	£
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	
	2009	2008
	£	£
Surplus for the year	65,665	2,487,943
Increase in provision for pensions	(6,724)	94,936
Depreciation	708,475	709,699
Amortisation of grants	(284,303)	(239,795)
Profit on disposal of assets	-	(2,500,000)
(Increase)/ Decrease in stocks	(1,827)	11,275
(Increase)/Decrease in debtors	85,181	(3,175,067)
Increase in creditors	(155,227)	1,940,942
Interest paid	48,647	116,792
Interest received	(49,491)	(91,979)
FRS 17 Adjustment	455,000	259,000
Net cash inflow from operating activities	865,396	(386,254)

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

26. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2009	2008
	£	£
Interest paid	(48,647)	(116,792)
Interest received	49,491	91,979
	<u>844</u>	<u>(24,813)</u>
Net cash outflow from returns on investments and servicing of finance	<u>844</u>	<u>(24,813)</u>

27. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2009	2008
	£	£
Purchase of tangible fixed assets	(501,569)	(1,057,216)
Capital grants received	298,340	326,020
Cash received on disposal	-	2,500,000
	<u>(203,229)</u>	<u>1,768,804</u>
Net cash outflow from capital expenditure and financial investment	<u>(203,229)</u>	<u>1,768,804</u>

28. MANAGEMENT OF LIQUID RESOURCES

	2009	2008
	£	£
Movement in short-term deposits	288,612	59,227
	<u>288,612</u>	<u>59,227</u>

29. FINANCING

	2009	2008
	£	£
Loan repayments	(264,202)	(203,922)
	<u>(264,202)</u>	<u>(203,922)</u>

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

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

	2009	2008
	£	£
Increase/ (Decrease) in cash	110,197	1,094,588
Cash flow from movement in short-term deposits	288,612	59,227
Cash flow from increase in debt	264,202	203,922
	<hr/>	<hr/>
(Increase)/ Decrease in net debt	663,011	1,357,737
Net debt at 1 August	427,126	(930,611)
	<hr/>	<hr/>
Net debt at 31 July	<u>1,090,137</u>	<u>427,126</u>

31. ANALYSIS OF NET DEBT

	31 July	Change	31 July
	2008	in year	2009
	£	£	£
Consolidated			
Cash at bank and in hand	1,926,262	(190,474)	1,735,788
Bank overdraft	(300,671)	300,671	-
	<hr/>	<hr/>	<hr/>
	1,625,591	110,197	1,735,788
Short-term deposits	581,677	288,612	870,289
Bank loan	(1,780,142)	264,202	(1,515,940)
	<hr/>	<hr/>	<hr/>
	<u>427,126</u>	<u>663,011</u>	<u>1,090,137</u>

32. FINANCIAL COMMITMENTS

At 31 July 2009, the group had annual commitments under non-cancellable operating leases as follows:

	Consolidated		Company	
	2009	2008	2009	2008
	£	£	£	£
In One Year or less	-	3,993	-	1,876
Between Two and Five Years	63,137	50,499	60,157	49,060
In Five Years or More	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>63,137</u>	<u>54,492</u>	<u>60,157</u>	<u>50,936</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 2009

33. FINANCIAL CONTINGENCY FUNDS

	2009	2008
	£	£
Unspent at 1 August	53,518	16,928
Funding Council grants	85,188	113,885
Interest earned	694	13,006
	<u>139,400</u>	<u>143,819</u>
Disbursed to students	(137,118)	(90,301)
	<u>2,282</u>	<u>53,518</u>
Balance unspent at 31 July	<u><u>2,282</u></u>	<u><u>53,518</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 2008/2009 academic year, the College received £85,188 (2007/2008 - £113,885) 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 2009, the College held £2,282 (31 July 2008 - £53,518) of funds not distributed.

34. PGCE INCENTIVE SALARIES

	2009	2008
	£	£
Incentives received	316,100	437,150
Disbursed to students	(316,100)	(437,150)
	<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 £316,100 (2008 - £437,150) 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.

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

35. 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 2009 by a qualified independent actuary. The major assumptions used by the actuary were:

	2009	2008	2006
	%	%	%
Rate of increase in salaries	5.45	5.55	4.95
Rate of increase in pensions	3.7	3.8	3.2
Discount rate	6.3	5.9	5.8
Rate of inflation	3.7	3.8	3.2

At the last actuarial valuation date, the market value of the assets of the scheme was £7,620,000 and the present value of the scheme liabilities was £12,582,000.

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

35. PENSION SCHEMES (continued)

Fair value of assets and expected rates of return as at 31 July 2009, 31 July 2008 and 31 July 2007 were:

	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	Long-term expected return at 31 July 2007	Fair value at 31 July 2007 £'000
Equities	7.5%	5,120	7.5%	5,230	7.5%	5,406
Government Bonds	4.5%	1,181	4.8%	1,256	4.9%	1,165
Other Bonds	5.8%	1,189	5.9%	1,163	5.8%	1,141
Property	-	-	-	-	6.5%	-
Other	0.5%	130	5.0%	101	5.75%	157
Total market value of assets		7,620		7,750		7,869
Present value scheme liabilities		(12,582)		(11,891)		(9,160)
(Deficit)/surplus in scheme		(4,962)		(4,141)		(1,291)

Analysis of amount charged to operating profit

	For year to 31 July 2009 £'000	For year to 31 July 2008 £'000
Current service cost	596	408
Total operating charge	596	408
Expected return on assets	512	522
Interest on pension liabilities	(718)	(543)
Net finance return	(206)	(21)

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

35. PENSION SCHEMES (continued)

Movement in scheme deficit during the year

	For year to 31 July 2009 £'000	For year to 31 July 2008 £'000
(Deficit)/surplus in scheme at beginning of the year	(4,141)	(1,291)
Movement in year		
Current service cost	(596)	(408)
Contributions paid by the employer	347	279
Past Service/Curtailment/Settlement Gain	-	(109)
Net return	(206)	(21)
Actuarial gain(loss)	(366)	(2,591)
	<hr/>	<hr/>
Deficit in scheme at the end of the year	<u>(4,962)</u>	<u>(4,141)</u>

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.

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 2009 was £166,500 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 2009 to July 2009, the employer contribution was 14.1%.

NOTES TO THE ACCOUNTS
Year ended 31 July 2009

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 2008 to 31 July 2009 was 14% of pensionable salaries.

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 £26,440 (2007/08 £11,328).

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.

DETAILED INCOME AND EXPENDITURE ACCOUNT

ACCOUNT FOR MAIN COLLEGE
Year ended 31 July 2009

	2009	2008
	£	£
INCOME		
Funding Council grants	7,305,390	6,842,416
Tuition fees	3,956,161	3,298,605
Research Grants and contracts	226,153	228,800
Other operating income	3,399,367	3,503,890
Investment income	8,370	74,443
	<u>14,895,441</u>	<u>13,948,154</u>
EXPENDITURE		
Staff costs	9,429,161	8,705,287
Other operating charges	5,145,295	4,694,692
Depreciation	398,630	492,740
Interest payable	48,647	116,792
	<u>(15,021,733)</u>	<u>(14,009,511)</u>
(Deficit)/surplus for year	<u><u>(126,292)</u></u>	<u><u>(61,357)</u></u>

DETAILED INCOME AND EXPENDITURE ACCOUNT

**ACCOUNT FOR FARM
Year ended 31 July 2009**

	2009	2008
	£	£
Sales	-	-
Other income	975	488
Interest receivable	5,098	7,365
	<u>6,073</u>	<u>7,853</u>
General expenses	(573)	(802)
Write off	-	-
Depreciation	-	-
	<u>(573)</u>	<u>(802)</u>
Surplus for year	<u><u>5,500</u></u>	<u><u>7,051</u></u>

DETAILED INCOME AND EXPENDITURE ACCOUNT

ACCOUNT FOR LIBRARY
Year ended 31 July 2009

	2009	2008
	£	£
INCOME		
Other operating income	447,143	476,397
	<u> </u>	<u> </u>
EXPENDITURE		
Staff costs	(286,038)	(235,118)
Other operating charges	(141,261)	(215,450)
	<u> </u>	<u> </u>
	(427,299)	(450,568)
	<u> </u>	<u> </u>
Deficit for year	19,844	25,829
	<u> </u>	<u> </u>

DETAILED INCOME AND EXPENDITURE ACCOUNT

TRINITY COLLEGE
Year ended 31 July 2009

	Total funds 2009 £	Total funds 2008 £
Incoming resources		
Residential courses	66,338	109,462
Rents and room hire	84,127	72,060
Investment income	26,859	22,562
Release of deferred capital grants	-	-
Realised gain on disposal of Fixed asset	-	2,500,000
Donations and gifts	154,141	345
	<u>331,465</u>	<u>2,704,429</u>
Resources expended		
Direct charitable expenditure	(5,188)	(10,558)
Management and administration of charity	(781)	-
Depreciation	(216,958)	(216,958)
	<u>(222,927)</u>	<u>(227,516)</u>
Net incoming resources for year	<u><u>108,538</u></u>	<u><u>2,476,913</u></u>