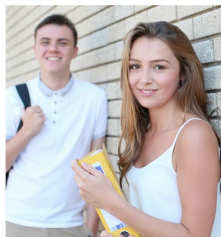
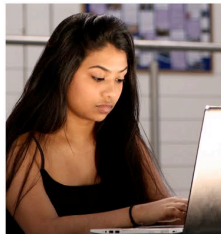




St David's
Coleg Catholig Dewi Sant
Catholic Sixth Form College



St David's Catholic
Sixth Form College
Report and financial
statements for the year
ended 31 July 2023

Saint David's Catholic College

CONTENTS

	Page number
Reference and administrative details	1
Report of the Governing Body	2
Statement of Corporate Governance and Internal Control	11
Statement on the college's Regularity, Propriety and Compliance	18
Statement of Responsibilities of the Members of the Governing Body	19
Independent Auditor's Report to the Governing Body of Saint David's Catholic College	20
Statement of Comprehensive Income and Expenditure	24
Statement of Changes in Reserves	25
Balance Sheet as at 31 July	26
Statement of Cash Flows	27
Net Debt Analysis	28
Notes to the Accounts	29-45

Saint David's Catholic College

Reference and administrative details

Board of Governors

A full list of Governors is given on pages 11-12 of these financial statements.

Clerk to the Governing Body – Mrs Kahina Hammoudi

Key management personnel

Mark Leighfield – Principal; Accounting Officer

Lisa Newman - Deputy Principal

Registered Office

St David's Catholic College

Ty Gwyn Road

Penylan

Cardiff

CF23 5QD

Professional advisers

Financial statements auditors and reporting accountants:

Mazars LLP

90 Victoria Street

Bristol

BS1 6DP

Internal auditors:

TIAA

Artillery House

Fort Fareham

Newgate lane

Fareham

PO14 1AH

Bankers:

Barclays Corporate Bank plc

3rd Floor

Windsor Court

3 Windsor Place

Cardiff

CF10 3BX

Santander Corporate Banking Centre

1st Floor

9 Queen Street

Cardiff

CF10 2UD

Solicitors:

Eversheds Sutherland (International) LLP

1 Callaghan Square

Cardiff

Saint David's Catholic College

Report of the Governing Body

OBJECTIVES AND STRATEGY:

The members of the Governing Body present their report and the audited financial statements for the year-ended 31 July 2023.

Legal status

The college was established under the Further and Higher Education Act 1992 for the purpose of conducting Saint David's Catholic College. The college is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Governing Body was established in Wales.

Mission

Saint David's Sixth Form College is a distinctive community that gives witness to our Catholic values and belief. As a college, our overall aim is to lead all members of our community closer to God. The college aims to achieve this by offering all, especially the poor and marginalised, the opportunity for a Catholic education.

Our Guiding Principles:

- Centrality of our Catholic faith
- Intrinsic value and the uniqueness of each individual, irrespective of gender, ethnicity or religious belief
- Pursuit of the individual's full potential
- Inclusivity
- Openness
- Integrity
- Repentance
- Mercy
- Forgiveness

The spirit of the Gospel is at the heart of our way of life, our relationships and our community. We have concern for the development of the whole person and the uniqueness of the individual and we strive for the highest expectations of personal growth and achievement.

The College's mission statement is:

A Catholic college for the community, seeking to discover and realise the full potential of all in an atmosphere of love, service and respect inspired by Christ.

Public Benefit

Saint David's Catholic College is an exempt charity under the Part 3 of the Charities Act 2011 and is regulated by the Welsh Government. The members of the Governing Body, who are trustees of the charity, are disclosed on pages 11-12.

In setting and reviewing the college's strategic objectives, the Governing Body has had due regard for the Charity Commission's guidance on public benefit and particularly upon its supplementary guidance on the advancement of

Saint David's Catholic College

education. The guidance sets out the requirement that all organisations wishing to be recognised as charities must demonstrate, explicitly, that their aims are for the public benefit.

In delivering its mission, the college provides the following identifiable public benefits through the advancement of education:

1. High-quality teaching.
2. Widening participation and tackling social exclusion.
3. Excellent employment prospects for students.
4. Strong student support systems.
5. Links with employers, industry and commerce.

Implementation of the College's Strategic Plan 2021-2025

The College's Strategic Plan, 'The Way, The Truth and The Life, covers the period August 2021 to July 2025. The Strategic Plan has three key themes:

- The Way: Leadership and Followership
- The Truth: The Education of the Whole Person
- The Life: Sustainable Future

The Governing Body monitors the performance of the college against these plans. The plans are reviewed and updated each year.

We are committed to striving for excellence in our teaching, learning and outcomes. We will ensure that all assessment is valid, reliable, equitable, explicit and transparent, efficient, and an integral part of the learners' approach to learning.

We will continue to develop the Advanced Skills Baccalaureate Wales qualification (formerly the Advanced Welsh Baccalaureate qualification), ensuring that Catholic themes, values and virtues are embedded within the qualification so that it becomes, for our purposes, a Catholic Baccalaureate.

At St David's Sixth Form College, we will continue to embrace digital technology to enhance and enrich the learning experiences for our learners.

We will place greater emphasis on ensuring that opportunities to encounter the Gospel within the context of curriculum courses, where these are relevant.

We will continue to provide appropriate UCAS advice and guidance to our learners so that they are aware of suitable university options available to them. We will ensure that employment opportunities, in particular, Degree Apprenticeships, are highlighted and given equal status for Level 3 learners.

We will work with Level 1 and 2 learners to ensure they are given appropriate progression advice and support. Progression to higher level courses, employment and training will be highlighted.

St David's is committed to closing the educational gap, whether that exists on the basis on gender, class or ethnicity. The College will continue to use quality improvement mechanisms to identify underperforming groups. St David's Sixth Form College will provide all learners with high quality pastoral care and guidance led by a team of pastoral tutors and Learner Support Staff and resources.

In response to the new Additional Learning Needs Act (2018), St David's Sixth Form College will ensure that all ALN learners in the College are supported to overcome barriers to learning and fulfil their full potential.

The College will promote learner wellbeing and resilience through the implementation of the S. David's College Wellbeing Framework.

Saint David's Catholic College

St David's Sixth Form College's safeguarding team, working alongside external agencies, will create a safe environment for learners by acting promptly on any safeguarding matter reported by any stakeholder. The safeguarding team will ensure that effective and well-understood procedures are in place so that all members of the College community know how to act and respond to safeguarding concerns.

The Honours Programme at St David's Sixth Form College will continue to provide a specialised pastoral programme for more able and talented learners.

Through our Spiritual Reflection programme, we will invite our young people to engage with faith rather than being passive recipients of a tradition simply presented to them. We provide opportunities for learners to examine the relationship between reason and faith and thereby draw our learners closer to the Truth.

Learners will continue to reflect on the call to service of the poor and marginalised through 'faith in action' projects as part of the Religion and Life Programme. These projects offer learners the opportunity to encounter issues in the wider society, from a local to global scale.

Our Catholic and Friends' Society will continue to play a key role in the St David's College by promoting Catholic identity and ethos within the community.

St David's Catholic College aims to be a truly bilingual college. As part of its contribution to the culture and society in Wales, St David's will integrate and celebrate the Welsh language within all aspects of the curriculum and college life, through its staff and its learners.

A key element of the College's Student Experience Framework at St David's College is learner voice. Learners will continue to have a voice through our Student Representative system and learner surveys.

St David's Sixth Form College will work more closely with its parishes and Catholic primary and secondary schools

Financial objectives

The college's financial objectives are:

1. To achieve long-term financial security and match resources with College Key Themes.
2. To provide a consistent basis for evaluating strategic alternatives and developing effective financial planning and risk management.
3. To provide a first-class and efficient learning environment for students and staff to meet current and future learning and resource objectives through the economic, efficient and effective deployment of resources.
4. To plan and control the financing of college developments.
5. To provide a consistent basis for evaluating strategic alternatives and developing effective financial planning and risk management.

Performance indicators

Financial performance indicators are included in the financial strategy with a number of them included in the monthly management accounts and annual Finance Record which is reported to the Welsh Government. Non-financial performance indicators include:

1. Recruitment targets.
2. Monitoring of conversion rate targets of applicants to enrolment.
3. Monitoring of success rates at course, programme and institutional level.
4. Monitoring of performance by grade category at course and institutional level.
5. Learner destinations data.
6. Student and parental satisfaction reports and surveys.

Saint David's Catholic College

The main financial key performance indicators which form part of the financial strategy are:

Key performance Indicator	Actual 2022/23	Actual 2021/22
Earnings before interest, taxation, depreciation and amortisation as a percentage of income (Target of 4%)	7.5%	7.1%
Operating surplus as a percentage of total income – 1% Target	1.7%	1.7%
Staff costs as a percentage of total income – Target of 70%	70.2%	70.5%
Current assets/Current liabilities – Target 2.0	1.4	0.79
Days cash to total expenditure – Target of minimum of 35 days	87	101
Average no. of days to pay a purchase invoice – Target to be no more than 30 days	20.53	18.94
Average no. of days to receive payment from a sales invoice – Target to be below 45 days	40.55	16.86

DEVELOPMENT AND PERFORMANCE

Financial results

The college generated a surplus before other gains and losses of £191,821 in 2022/23 (2021/22 £182,261surplus).

Since the introduction of FRS102, the value of non-cash entries related to the Local Government Pension Scheme on the Statement of Comprehensive Income and Expenditure has grown, which can make the underlying position of the college's operations difficult to discern. Consequently, management reporting is shifting away from Comprehensive Income in the year toward Earnings before interest, taxation, depreciation and amortisation.

The actuarial gain in respect of pension schemes was £1,611,000 (2021/22 £2,954,000)

Tangible fixed asset additions during the year amounted to £5,216,732. This was split between buildings £3,069,976, Assets under construction £1,960,152 and equipment £186,012.

The main project for the year was the construction of the new teaching block. This funding in relation to 21st Century Schools and Colleges attracted funding of 85% of the £7.9m total build costs. Work on the new teaching block is expected to be completed autumn 2023

The college has significant reliance on the Welsh Government for its principal funding source, largely from recurrent grants. In 2022/23 the Welsh Government provided 92% (2021/22 94%) of the college's total income.

Treasury policies and objectives

Treasury management is the management of the college's cash flows and its banking; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The college has no money market and capital market transactions.

The college has a separate treasury management policy in place.

Short-term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Governing Body and shall comply with the requirements of the Financial Memorandum.

Cash flows and liquidity

There has been a cash inflow from operating activities (including grant receipts) of £3,216,796 (2021/22 £3,216,796) and a net decrease in cash and cash equivalents in the year of £268,065 (2021/22 £299,263) which is in line with the EBITDA for the year.

Saint David's Catholic College

The size of the college's total borrowing and its approach to interest rates has been calculated to ensure a reasonable cushion between the total cost of servicing debt and operating cashflow. During the year, this margin was comfortably exceeded.

Reserves Policy

The college has no formal Reserves Policy but recognises the importance of reserves in the financial stability of any organisation and ensures that there are adequate cash reserves to support the college's core activities.

As at the balance sheet date, as a result of the actuarial swing in 2022-23, there is now a positive balance on the Income and Expenditure reserve of £4,475,996 (2021/22 £2,637,343).

This improved position has been as a result of the positive position in the fair value of assets in the FRS 102 report for period ending 31 July 2023.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

In 2022/23 the college has delivered activity at 93.69% of its funding target. There is no reclaim on full time funding allocations although any underperformance is reflected in the following years' allocations. The funding body main allocation funding was £8,276,644 (2021/22 £6,903,554). For 2022/23 the college had approximately 1475 fundable students on roll at some stage of the academic year. The average LAP value of fundable students was £4,448. This is considerably less than the sector average but is a consequence of St David's having a relatively small vocational provision compared to the sector average.

Student achievements

The Welsh Government has reintroduced student performance indicators for the 2022/23 academic year, but these are yet to be published in a final or provisional form. 2022-23 saw the second year of formal exams following the 2019 pandemic. There was a desire by Qualifications Wales to reduce the grade profile of exam results to pre-pandemic levels but to stagger the reduction over two years. In 2021/22 Qualifications Wales gave Students advance warning of what was being covered in exams. This was significantly reduced for 2022/23 and will be removed completely in 2023/24

For 2022/23, A2 exams dropped by 13.4% for grades A* to A (33.2%) and dropped by 3.4% for grades A* to C (82.5%). A* to E Grades rose by 1% (98.3%).

However, these reductions were also reflected in National Comparators across the country. Against (Welsh) National Comparators, St David's were down by 0.8% at A*-A and but up 3.6% at A*-C The college was also up 0.8% at A*-E

Curriculum Developments

The College has made use of Welsh Government funding to support its learners as we come out of the pandemic. As well as increase in staff / student contact time for all courses, one to one and group catch-up sessions were fully utilised. Enhanced support for wellbeing and mental health was also put in place.

The College aims to develop an inclusive approach to recruitment, curriculum design and teaching and learning. There is a strong emphasis on the development of transferable skills particularly literacy, numeracy and digital literacy to ensure access to the relevant curriculum at an appropriate level. Learners are guided and supported through appropriate learning pathways with a view to each individual learner being able to achieve their full potential. A strong emphasis is placed upon providing a wide range of high-quality A level and AS courses, alongside a strong general vocational offer at Level 3. For learners who have not reached the required qualification threshold for access to Level 3 courses the college ensures access to a range of Level 2 courses.

Future prospects

Saint David's Catholic College

The College is ensuring that it keeps abreast of the implementation of the Curriculum Wales Framework, in particular, the changes to GCSE and the wider 14-16 offer and the impact this will have on the post-16 offer. The College has been involved in the consultation process with Qualifications Wales and Colleges Wales.

The College underwent a Diocesan Inspection in March 2020 and was awarded the following judgements:

- Catholic Life and Ethos: Excellent
- Curriculum Religious Education: Excellent
- Collective Worship: Excellent

The College met its 2023/24 student recruitment target.

Following the pandemic, the College's operations have returned to the pre-pandemic norm with all students attending lessons, face-to-face, on a full-time basis. The College will continue to embed digital learning strategies that were implemented and accelerated during Covid and ensure that these are used to enhance the experience for learners and increase the quality of teaching and learning.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. Terms of payment for suppliers to the college vary from 0 to 60 days. During the accounting period 1 August 2022 to 31 July 2023, 84.1% of invoices were paid within 30 and 99.5% within 60 days.

The college incurred no interest charges in respect of late payment for this period.

RESOURCES

Financial

The college has £4,463,200 of net assets, including £33,792 pension asset (2021/22 £1,335,548) and long-term debt of £70,548 (2020/21 £113,623).

People

The college employs 137 people (expressed as full-time equivalents), of whom 83 are teaching staff.

Reputation

The college has an excellent reputation locally and nationally. Maintaining a quality brand is essential for the college's success at attracting students and developing external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES:

The college has well developed strategies for managing risk and strives to embed risk management in all that it does. Risk management processes are designed to protect its assets, reputation and financial stability. The governing body has overall responsibility for risk management and its approach to managing risks and internal controls is explained in the Statement on Corporate Governance.

A risk register is maintained at the college level which is reviewed at least annually by the Audit Committee and more usually on a termly basis. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the college and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

The main risk factors affecting the college are outlined below along with the action taken to minimise them. Not all the factors are within the college's control. Other factors besides those listed below may also adversely affect the college.

Saint David's Catholic College

- Failure to manage data

Cause: inadequate cyber security systems; lack of awareness of how to handle data by staff; lack of data security policy and procedures; access to data is not restricted.

Effect: loss or disclosure of personal or commercially sensitive data; breach of data protection legislation; reputation damage.

This risk is controlled by having IT and GDPR policies and action plans in place which are being communicated to staff and by integrating cyber security and GDPR into the staff development programme. Access restrictions and regular scanning take place to minimise security breaches.

- Failure to manage the performance of the College

Cause: lack of capacity and capability; lack of correct, timely and quality data; staff not aware of when they need to provide data; poor or lack of performance measurement criteria set (targets); as an inclusive College student performance can be difficult to control.

Effect: may result in student outcomes being less than expected; may have a financial impact if additional resources required to improved performance; impact on Estyn assessment; reputation damage within key stakeholders if performance does not meet expectations.

This risk is controlled by the functional areas of College being demarcated into sections and self-assessment processes introduced and implemented

- Fail to effectively respond to a business continuity event (fire, flood, severe weather, Pandemic outbreak).

Cause: Lack of business continuity impact analysis. Lack of planning. Lack of training on any agreed plans. Buildings construction or design not fit for purpose.

Effect: Disruption to delivery of education; potential to put students, teachers, parents and visitors at risk of harm; reputation damage associated with a poor response.

This risk is controlled by having a college closure IT contingency plan in place and communicated to relevant staff; major Incident lockdown policy in place; Fire emergency plan and strategy; Covid strategy in place; updates of changes are communicated regularly to staff and students.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and with universities, St David's Catholic College has many stakeholders. These include:

- Students.
- Education sector funding bodies.
- Staff.
- Parents/guardians
- Roman Catholic Archdiocese of Cardiff.
- Local employers (with specific links).
- Local Authorities.
- The local community.
- Catholic primary and secondary schools.
- Other further education and higher education institutions.
- Trade unions.
- Professional bodies.

Saint David's Catholic College

The college recognises the importance of these relationships and engages in regular communication with stakeholders

Equality

The college is committed to ensuring equality of opportunity for all who learn and work here. We respect and value differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage, and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The college's Equal Opportunities Policy is published on the college's intranet site. All staff receive annual Equality and Diversity training.

The college publishes an Annual Equality Report and Equality Objectives to ensure compliance with all relevant equality legislation including the Equality Act 2010. The college undertakes equality impact assessments on all new policies and procedures and publishes the results. Equality impact assessments are also undertaken for existing policies and procedures on a prioritised basis.

The college considers all employment applications from disabled persons, bearing in mind the aptitudes of the individuals concerned, and guarantees an interview to any disabled applicant who meets the essential criteria for the post. Where an existing employee becomes disabled, every effort is made to ensure that employment with the college continues. The college's policy is to provide training, career development and opportunities for promotion, which, as far as possible, provide identical opportunities to those of non-disabled employees.

Disability statement

The college seeks to achieve the objectives set down in the Equality Act 2010 and in compliance with the Additional Learning Needs and Education Tribunal (Wales) Act:

- a. The college has a Learning Support Centre, which provides information, advice and arranges support for students with additional learning needs and learning difficulties.
- b. There is specialist equipment which the college can make available for use by students and a range of assistive technology is available.
- c. The admissions policy for all students is available on the college website. Appeals against a decision not to offer a place are dealt with under the complaints policy.
- d. The college's universal and additional learning provision offer is also available on the college website.
- e. There are learning support assistants and teaching assistants who can provide a variety of support for learning. There is a programme of staff development to ensure the provision of a high level of appropriate support for students who have additional learning needs and learning difficulties.
- f. Counselling, welfare services, information about equality and diversity, literacy and numeracy support, complaints and disciplinary procedures are described in the Learner Guide, which is issued to all students.
- g. There is a wellbeing team that also provides support, along with each student being allocated a pastoral tutor.
- h. The college has a Support Register which helps ensure clear communication and learner needs information to all relevant parties.

Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the college's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the college's auditors are aware of that information.

Approved by order of the members of the Governing Body on 6th December 2023 and signed on its behalf by:



Christian Mahoney
Chair

Saint David's Catholic College

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the college to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2022 to 31 July 2023 and up to the date of approval of the annual report and financial statements.

The college endeavours to conduct its business:

- i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership); and
- ii. having due regard to the UK Corporate Governance Code 2014 insofar as it is applicable to the further education sector.

The college is committed to exhibiting best practice in all aspects of corporate governance. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the further education sector and best practice.

The college is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

The Governing Body

The members who served on the Governing Body during the year and up to the date of signature of this report were as listed in the table below.

Name	Date of first term of appointment	Term of office	Status of appointment	Committees served and attendance
Mrs Edita Agha	1 October 2022	2 years	Parents	Finance and Resources 60% Full Governing Body 100%
Mr Ian Brookfield	1 September 2017	4 years	Foundation	Audit 66% Student Experience, Academic Standards and Quality Assurance 100% Full Governing Body 75%
Dr John Channon	1 April 2019	2 years	Foundation	Finance and Resources 100% Full Governing Body 100%
Mr Stephen Drury	1 November 2022	4 years	Foundation	Audit 25% Full Governing Body 100%
Mr John Edwards	1 July 2019	4 years	Foundation	Full Governing Body 75% Catholic Ethos and Culture 100% Finance and Resources 100%
Mr Michael Harper	1 September 2015	4 years	Foundation (Vice Chair)	Audit (Chair) 100% Student Experience, Academic Standards and Quality Assurance 100%

Saint David's Catholic College

				Search and Governance 100% Full Governing Body 100%
Mr Nigel Harris	1 September 2017	4 years	Co-opted	Finance and Resources 100% Full Governing Body 100%
Mr Kenzie Hollingsworth	1 st November 2021	2 years	Student	Student Experience, Academic Standards and Quality Assurance 100% Full Governing Body 100%
Mr Mark Leighfield	1 January 2004	-	Principal	Catholic Ethos and Culture 100% Student Experience, Academic Standards and Quality Assurance 100% Finance and Resources 40% Search and Governance 100% Full Governing Body 75%
Mr Justin McCarthy	1 September 2018	4 years	Foundation	Audit 100% Catholic Ethos and Culture 100% Full Governing Body 75%
Mr Christian Mahoney	1 September 2017	4 years	Foundation (Chair)	Catholic Ethos and Culture 33% Student Experience, Academic Standards and Quality Assurance 100% Finance and Resources 100% Remuneration (Chair) - no meetings held during year Search and Governance (Chair) 100% Full Governing Body 100%
Ms Olivia Mclaren	1 January 2020	2 years	Staff	Catholic Ethos and Culture 33% Full Governing Body 100% Student Experience, Academic Standards and Quality Assurance 100%
Dr Jossy Mathew	1 st January 2022	4 years	Foundation	Search and Governance 33% Full Governing Body 66%
Mr David Stone	1 January 2016	4 years	Foundation	Full Governing Body 25% Student Experience, Academic Standards and Quality Assurance 0% Catholic Ethos and Culture 33%

Saint David's Catholic College

Margaret Thorne	1 October 2019	4 years	Foundation	Student Experience, Academic Standards and Quality Assurance 66% Full Governing Body 50%
Prof Sally Power	1 September 2015	4 years	Foundation	Student Experience, Academic Standards and Quality Assurance 66% Finance and Resources 80% Search and Governance 100% Full Governing Body 20%
Dr Daniel Waldron	1 st January 2023	4 Years	Local Authority	Full Governing Body 50%
Fr Nicholas Williams	1 March 2022	4 year	Foundation	Catholic Ethos and Culture (Chair) 100% Search and Governance 100% Full Governing Body 75%
Ms Kahina Hammoudi / Yvette Rankmore acted as Clerk to the Governing Body				

It is the Governing Body's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Governing Body is provided with regular and timely information on the overall financial performance of the college together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Governing Body met four times during the year.

The Governing Body conducts its business through a number of committees, which have been approved by the Governing Body. These committees are:

- Audit & Risk
- Catholic Ethos and Culture
- Student Experience, Quality and Academic Standards
- Finance and Resources
- Remuneration
- Appraisal
- Search and Governance

Where appropriate full minutes of all meetings, except those deemed to be confidential by the Governing Body, are available from the Clerk to the Governing Body at:

Saint David's Catholic College
Ty Gwyn Road
Penylan
Cardiff
CF23 5QD

The Clerk to the Governing Body maintains a register of financial and personal interests of the governors. The register is available for inspection at the above address.

Saint David's Catholic College

All governors are able to take independent professional advice in furtherance of their duties at the college's expense and have access to the Clerk to the Governing Body, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Body as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings. Briefings are provided on an ad hoc basis.

The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

Appointments to the Governing Body

Foundation members are appointed by the Archdiocese of Cardiff; student, staff and parent governors are elected and any other new appointments to the Governing Body are a matter for the consideration of the Governing Body as a whole. The Governing Body has a Search and Governance Committee, consisting of three members of the Governing Body, which is responsible for the selection and nomination of any new member for the Governing Body's consideration. The Governing Body is responsible for ensuring that appropriate training is provided as required.

Members of the Governing Body are appointed for a term of office not exceeding four years.

Governing Body performance

Evaluation for 2022/23 has been considered within the context of:

- **The regulatory background to the governance at the college**
The college has adopted the Code of Good Governance for Colleges in Wales.
- **Strategic plans 2021-2025**
- ***The changing composition of the membership of the Governing Body***

Composition

- There are 18 members of the Governing Body. Composition of the Governing Body is as follows:
- 10 Foundation members
- 2 Co-opted members
- 1 Parent member
- 1 Student member
- 1 Staff member
- 1 Local Authority member
- 1 Community member (1 vacancy)
- 1 Member being the Principal
- During the year 1st August 2022 until 31st July 2023 the following changes occurred within the Governing Body:

Leavers	Reason	Length of Service in total
Foundation Governor	Resignation	3
Clerk	Adoption Leave	1
Student Governor	End of time at SDC	2
Foundation Governor	Resignation	13

New Joiners	Start Date
Foundation Governor	November 2022
Acted Clerk	April 2023

Saint David's Catholic College

Foundation Governor	January 2023
Local Authority	January 2023

- The Governing Body currently has one vacancy, Community.
- The Annual Register of Interests was completed in time for the first Full Governing Body meeting of 30th November 2022.
- The Governors' Handbook was updated during the year and is in use.
- The Governing Body Committees established by the Instrument and Articles of Government, in 2005/06, were affirmed in 2012/13 and reviewed in September 2022.

- **The fulfilment of the Governing Body's statutory duties as laid out in the Instrument and Articles of Government**

A practical evaluation of the work of the Governing Body in 2022/23 shows that it has fulfilled its statutory duties, affirmed by Internal and External Audit.

The Governing Body has also accounted for the financial solvency of the college through the Finance and Resources Committee (met six times) and Audit Committee (met four times). The Full Governing Body received Internal Audit Reports from the Audit Committee at three of their meetings that included a report on aspects of Financial Controls, an External Audit Report and regular Management Accounts reports from the Director of Finance to the Finance and Resources Committee at all of its four meetings.

Remuneration Committee

Throughout the year-ending 31 July 2023 the college's Remuneration Committee comprised three members of the Governing Body. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Accounting Officer and other key management personnel. No meetings were held during the year 2023.

Details of remuneration for the year-ended 31 July 2023 are set out in note 7 to the financial statements.

Audit Committee

The Audit Committee comprises five members of the Governing Body (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Governing Body.

The Audit and Risk Committee meets on a termly basis and provides a forum for reporting by the college's internal, reporting accountants and financial statements auditors, who have access to the Committee for independent discussion, without the presence of college management. The Committee also receives and considers reports from the main FE funding bodies as they affect the college's business.

The college's internal auditors review the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Governing Body on the appointment of internal, reporting accountants and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Governing Body.

Internal control

Scope of responsibility

The Governing Body is ultimately responsible for the college's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the college's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Financial Memorandum between St David's Catholic College and the funding body, the Welsh Government. He is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

Saint David's Catholic College

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of college policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in St David's Catholic College for the year-ended 31 July 2022 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Body has reviewed the key risks to which the college is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the college's significant risks that has been in place for the period ending 31 July 2023 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Governing Body.
- Regular reviews by the Governing Body of periodic and annual financial reports which indicate financial performance against forecasts.
- Setting targets to measure financial and other performance.
- Clearly defined capital investment control guidelines.
- The adoption of formal project management disciplines, where appropriate.

St David's Catholic College has an internal audit service, which operates in accordance with the requirements of the Welsh Government's Further Education Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the college is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Governing Body on the recommendation of the Audit Committee. At minimum, annually, the internal auditor provides the Governing Body with a report on internal audit activity in the college. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of the college's system of risk management, controls and governance processes.

Review of effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors.
- The work of the executive managers within the college who have responsibility for the development and maintenance of the internal control framework.
- Comments made by the college's financial statements auditors, the reporting accountant for regularity assurance, the appointed funding auditors (for colleges subject to funding audit) in their management letters and other reports.

The Accounting Officer has been advised on the implications of the result of his review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Body's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior leadership team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2022 meeting, the Governing Body carried out the annual assessment for the year-ended 31 July 2022 by considering documentation from the Senior Leadership Team and the Internal Auditors and taking account of events since 31 July 2022. This meeting will happen again in November 2023.

Based on the advice of the Audit Committee and the Accounting Officer, the Governing Body is of the opinion that the college has an adequate and effective framework for governance, risk management and control.

Saint David's Catholic College

The matters raised in the internal audit report are only those which came to attention during the internal audit and it is not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

Going concern

Following the confirmation that the college will remain a Further Education Institution, there is now more certainty of the college's sector for future financial years, the Governing Body considers that the college has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the members of the Governing Body on 6th December 2023 and signed on its behalf by:



Christian Mahoney
Chair of Governors



Mark Leighfield
Accounting Officer

Saint David's Catholic College

Governing Body's statement on the college's regularity, propriety and compliance with Funding body terms and conditions of funding

The Governing Body has considered its responsibility to notify the Welsh Government of material irregularity, impropriety and non-compliance with Welsh Government terms and conditions of funding, under the financial memorandum in place between the college and the Welsh Government. As part of our consideration, we have had due regard to the requirements of the financial memorandum.

We confirm, on behalf of the Governing Body, that after due enquiry, and to the best of our knowledge, we are able to identify any material irregular or improper use of funds by the college, or material non-compliance with the Welsh Government's terms and conditions of funding under the college's financial memorandum.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Welsh Government.



Christian Mahoney
Chair of Governors



Mark Leighfield
Accounting Officer

Statement of Responsibilities of the Members of the Governing Body

The members of the Governing Body are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum between the Welsh Government and the Governing Body of the college, the Governing Body, through its Accounting Officer, is required to prepare financial statements for each financial year in accordance with the *2021 Statement of Recommended Practice – Accounting for Further and Higher Education* and with the college *Accounts Direction 2021 to 2022* issued by the Welsh Government, and which give a true and fair view of the state of affairs of the college, and the result for that year.

In preparing the financial statements, the Governing Body is required to:

- Select suitable accounting policies and apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare financial statements on the going concern basis, unless it is inappropriate to assume that the college will continue in operation.

The Governing Body is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the college.

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 which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the college and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the college website is the responsibility of the Governing Body of the college; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Governing Body are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament, and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the Welsh Government are used only in accordance with the Financial Memorandum with the Welsh Government and any other conditions that may be prescribed from time to time. Members of the Governing Body must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Governing Body are responsible for securing economical, efficient and effective management of the college's resources and expenditure, so that the benefits that should be derived from the application of public funds from the Welsh Government are not put at risk.

Approved by order of the members of the Governing Body on 6 December 2023 and signed on its behalf by:



Christian Mahoney
Chair

Independent auditor's report to the members of St David's Catholic College

Opinion

We have audited the financial statements of St David's Catholic College (the 'College') for the year ended 31 July 2023 which comprise the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice: Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2023 and of the College's result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governing Body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Governing body, other than the financial statements and our auditor's report thereon. The Governing body are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Saint David's Catholic College

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Further Education Audit Code of Practice issued by the Welsh Government requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- the information given in the report of the Members of the Governing body, including the operating and financial review and statement of corporate governance, is inconsistent with the financial statements; and
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governing body

As explained more fully in the Statement of Responsibilities of the Members of the Corporation set out on page 19, the Governing body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing body is responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing body either intends to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Saint David's Catholic College

Based on our understanding of the College and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: compliance with the Welsh Government funding agreements, the Estyn regulatory framework, safeguarding, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the College is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the College which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as pension legislation.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, revenue recognition (which we pinpointed to the cut-off assertion, and significant one-off or unusual transactions).

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Saint David's Catholic College

Other Required Reporting

Opinion on other matters prescribed in the Further Education Audit Code of Practice 2015 issued by the Welsh Government

In our opinion, in all material respects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the Institution for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation; and
- income has been applied in accordance with the financial memorandum with the Welsh Government.

Use of the audit report

This report is made solely to the Governing body as a body in accordance with the College's Articles of Government. Our audit work has been undertaken so that we might state to the Governing body those matters we are required to state to them in an auditor's 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 Governing body as a body for our audit work, for this report, or for the opinions we have formed.


Mazars LLP (Dec 18, 2023 09:20 GMT)

Mazars LLP

Chartered Accountants and Statutory Auditor

90 Victoria Street

Redcliffe

Bristol

BS1 6DP

Dec 18, 2023

Saint David's Catholic College

Statement of Comprehensive Income and Expenditure

	Notes	Year ended 31 July	
		2023	2022
		£'000	£'000
INCOME			
Funding body grants	2	10,401	9,986
Tuition fees and education contracts	3	415	309
Other grants and contracts	4	25	47
Other income	5	341	265
Investment income	6	65	9
Total income		11,247	10,616
EXPENDITURE			
Staff costs	7	7,894	7,462
Fundamental restructuring costs	7	8	20
Other operating expenses	8	2,504	2,381
Depreciation	11/12	606	477
Interest and other finance costs	9	43	65
Total expenditure		11,055	10,405
Surplus before other gains and losses		192	211
Loss on disposal of assets		0	29
Surplus before taxation		192	182
Taxation	10	0	-
Surplus for the year		192	182
Actuarial gain in respect of pensions schemes		1,578	2,954
Total Comprehensive Income for the year		1,770	3,136
Represented by:			
Unrestricted comprehensive income		1,770	3,136

Saint David's Catholic College

Statement of Changes in Reserves

	£'000
Balance at 31 July 2021	(514)
Surplus from the income and expenditure account	182
Other comprehensive income	2,970
Total comprehensive income for the year	<u>3.152</u>
Balance at 31 July 2022	<u>2,638</u>
Surplus from the income and expenditure account	192
Other comprehensive income	1,578
Total comprehensive income for the year	<u>1,770</u>
Balance at 31 July 2023	<u><u>4,408</u></u>

Saint David's Catholic College

Balance sheet as at 31 July 2023

	Notes	2023 £'000	2022 £'000
Non-current assets			
Tangible fixed assets	11/12	11,456	6,843
Intangible fixed assets		0	1
		<u>11,456</u>	<u>6,844</u>
Current assets			
Stocks		5	4
Trade and other receivables	13	410	344
Cash and cash equivalents		2,490	2,759
		<u>2,905</u>	<u>3,107</u>
Less: Creditors – amounts falling due within one year	14	(2,460)	(3,813)
Net current assets		<u>445</u>	<u>(706)</u>
Total assets less current liabilities		11,901	6,138
Less: Creditors – amounts falling due after more than one year	15	(7,317)	(1,977)
Provisions			
Defined benefit obligations	17	0	(1,335)
Other provisions	17	(155)	(187)
Total net assets/(liabilities)		<u>4,429</u>	<u>2,639</u>
Unrestricted reserves			
Income and expenditure account		4,429	2,639
Total unrestricted reserves		<u>4,429</u>	<u>2,639</u>

The financial statements were approved and authorised for issue by the Governing Body on 6th December 2023
and were signed on its behalf on that date by:



Christian Mahoney
Chair



Mark Leighfield
Accounting Officer

Saint David's Catholic College

Statement of Cash Flows

	Notes	2023 £'000	2022 £'000
Cash inflow from operating activities			
Surplus/(deficit) for the year		192	182
Adjustment for non-cash items			
Depreciation		606	477
Decrease in stocks		(1)	0
(Increase)/decrease in debtors		(66)	(193)
(Increase)/decrease in creditors due within one year		1,156	(377)
Increase in creditors due after one year		0	0
Pension finance costs		41	61
Pensions costs less contributions payable		202	525
Deferred capital grants released to income		(445)	(316)
Adjustment for investing or financing activities			
Investment income		(65)	(9)
Interest payable		2	3
Loss on disposal of fixed assets		0	46
Net cash flow from operating activities		1,622	400
Cash flows from investing activities			
Investment income		65	9
Payments made to acquire tangible fixed assets		(4,313)	(3,479)
Payments made to acquire intangible fixed assets		0	0
Grant receipts		2,403	2,817
		(1,845)	(654)
Cash flows from financing activities			
Interest paid		(2)	(3)
New unsecured loans		0	0
Repayments of amounts borrowed		(43)	(42)
		(45)	(45)
(Decrease)/Increase in cash and cash equivalents in the year		(268)	(300)
Cash and cash equivalents at beginning of the year	18	2,758	3,058
Cash and cash equivalents at end of the year	18	2,491	2,758
		(268)	(300)

Saint David's Catholic College

Net Debt Analysis

Cash and Cash Equivalents	At 1 August 2022	Cash Flows	Other non- cash changes	As at 31 July 2023
	£'000's	£'000's	£'000's	£'000's
Cash	2,758	-268	0	2,490
Overdraft	0	0	0	0
Cash Equivalents	0	0	0	0
	2,758	-268	0	2,490
Borrowings				
Debt due within one year	41	0	0	41
Debt due after one year	114	0	-43	71
	155	0	-43	112
Total	2,913	-268	-43	2,602

Saint David's Catholic College

Notes to the Accounts

1. Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The Corporation was established under the Further and Higher Education Act 1992 for the purpose of conducting St David's Catholic college. The college is an exempt charity for the purposes of Part 3 of the Charities Act 2011. The Corporation was established in Wales and the registered office is St David's Catholic college, Ty Gwyn Road, Penylan, Cardiff, CF23 5QD.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the College Accounts Direction for 2022 to 2023 issued by Welsh Government and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The college is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the college's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

Going concern

The activities of the college, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the college, its cashflow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes.

In 2022/23 the college has delivered activity at 93.69% of its funding target. The college monitors the demographics of the local authorities which it serves and is aware of the increase in number of school leavers over the next 10 years. The new teaching block which is planned aims to accommodate some of the growth in population.

The college currently has £111,431 of loans outstanding with bankers on terms negotiated in 2016 all being secured by a fixed and floating charge on college assets. The loan was renewed in 2020/21 for a further 5 years. The college's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

Accordingly, the college has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

Revenue grant funding

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. The final grant income is normally determined with the conclusion of the year-end reconciliation process with the funding body following the year-end, and the results of any funding audits. Any under-achievement against this planned activity is adjusted in the year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Saint David's Catholic College

Grants from non-government sources are recognised in income when the college is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital grant funding

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the college is entitled to the funds subject to any performance related conditions being met.

Fee income

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Investment income

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Agency arrangements

The college acts as an agent in the collection and payment of certain discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the college where the college is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Accounting for post-employment benefits

Post-employment benefits to employees of the college are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

Teachers' Pension Scheme (TPS)

The TPS is an unfunded scheme. Contributions to the TPS are calculated 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. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method.

The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

Cardiff and the Vale Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred.

Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

Saint David's Catholic College

Short term employment benefits

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the college. Any unused benefits are accrued and measured as the additional amount the college expects to pay as a result of the unused entitlement. Termination benefits are accounted for when an obligation is deemed to exist.

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the college's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Land and buildings acquired since 1 April 1993 are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated, on a straight-line basis, over their expected useful economic life to the college of 50 years. Refurbishments that restore economic benefits of buildings are depreciated over a shorter life of between 10 and 20 years.

Land and buildings inherited on 1 April 1993 from South Glamorgan County Council and other land and buildings which remain the property of the Archdiocese of Cardiff are not included in the balance sheet.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the college, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis from the month of purchase over its remaining useful economic life as follows:

- General equipment 5 – 10 years
- IT equipment 5 years

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income and Expenditure.

Intangible assets

Saint David's Catholic College

Intangible assets costing less than £1,000 per individual item are recognised as expenditure in the period of acquisition. All other intangible assets are capitalised at cost.

Capitalised equipment is depreciated on a straight-line basis from the month of purchase over its remaining useful economic life as follows:

- Software 5 years
- Other 5 years

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Inventories

Inventories are stated at cost. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the college has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Taxation

The college is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the college is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Governing Body Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Saint David's Catholic College

The college receives no such exemption in respect of Value Added Tax, so it is unable to recover VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Provisions

Provisions are recognised when;

- the college has a present legal or constructive obligation as a result of a past event;
- it is probable that a transfer of economic benefit will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the college either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.
- Determine whether there are indicators of impairment of the college's tangible assets.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Funding body grants

	2023 £'000	2022 £'000
Recurrent grants		
Recurrent NPFS Welsh Government grant	8,277	6,932
Other recurrent funding	360	629
Specific Grants		
Release of Welsh Government capital grants	445	321
Other Welsh Government grants	1319	2,104
Total	10,401	9,986

Saint David's Catholic College

3 Tuition fees and education contracts

	2023 £'000	2022 £'000
Non-EC fees	158	83
Exam fees	9	2
Education contracts	248	224
Total	415	309

4 Other grants and contracts

	2023 £'000	2022 £'000
Other grants and contracts	25	47
Total	25	47

5 Other income

	2023 £'000	2022 £'000
Catering and residences	235	135
Other income generating activities	106	130
Miscellaneous income	0	0
Total	341	265

6 Investment income

	2023 £'000	2022 £'000
Other interest receivable	65	9
Total	65	9

Saint David's Catholic College

7 Staff costs

The average number of persons (including key management personnel) employed by the college during the year, described as full-time equivalents, was:

	2023 No.	2022 No.
Teaching staff	83	86
Non-teaching staff	54	47
	137	133

The headcount of persons (including key management personnel) employed by the college at the end of the year was:

	2023 No.	2022 No.
Teaching staff	94	95
Non-teaching staff	68	59
	162	154

Staff costs for the above persons

	2023 £'000	2022 £'000
Wages and salaries	5,759	5,168
Social security costs	608	532
Other pension costs	1,402	1,360
Payroll sub total	7,769	7,307
Contracted out staffing services	125	158
	7,894	7,465
Fundamental restructuring costs - non-contractual	8	19
Total staff costs	7,902	7,484

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the college and are represented by the Principal and Vice Principal.

Emoluments of Key management personnel, Accounting Officer and other higher paid staff

	2023 No.	2022 No.
The number of key management personnel including the Accounting Officer was:	<u>2</u>	<u>2</u>

Saint David's Catholic College

The number of key management personnel & other staff who received emoluments, excluding pension contributions and employer's national insurance but including benefits in kind, in the following range was:

	Key management personnel		Other staff	
	2023 No.	2022 No.	2023 No.	2022 No.
£60,001 to £65,000 p.a.	-	-	5	1
£65,001 to £70,000 p.a.	-	-	1	1
£70,001 to £75,000 p.a.	-	-	2	3
£80,001 to £85,000	0	0	1	0
£85,001 to £90,000 p.a.	-	1	-	-
£95,001 to £100,000 p.a.	1	-	-	-
£125,001 to £130,000 p.a.	1	1	-	-
	<u>2</u>	<u>2</u>	<u>9</u>	<u>5</u>

Key management personnel compensation is made up as follows:

	2023 £'000	2022 £'000
Salaries	229	219
Employers National Insurance	30	29
	<u>259</u>	<u>248</u>
Pension contributions	54	52
Total emoluments	<u>313</u>	<u>300</u>

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

The compensation includes amounts payable to the Accounting Officer (who is also the highest paid officer) of:

	2023 £'000	2022 £'000
Salaries	130	130
Pension	31	31
Total Emoluments	<u>161</u>	<u>161</u>

The Accounting Officer's performance and remuneration is reviewed on an annual basis following an appraisal by the Governing Body. Annual performance targets are set and are directly related to the achievement of the college's Annual Operational Plan and Strategic Plan. Such targets typically relate to learner recruitment, enhanced learner outcomes and overall learner experience. Performance against targets are reviewed during the Autumn term of each academic year. Any proposed change to remuneration is measured against performance relative to targets, role specification and benchmarked against remuneration in similar institutions.

Saint David's Catholic College

The members of the Governing Body other than the Accounting Officer and the staff member did not receive any payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties

Relationship of Principal/Accounting Officer pay, and remuneration expressed as a multiple.

This excludes starters and leavers in the year and agency workers.

	2023	2022
Principal's basic salary as a multiple of the median of all staff	<u>3.4</u>	<u>3.2</u>
Principal's total remuneration as a multiple of the median of all staff	<u>3.8</u>	<u>3.3</u>

8 Other operating expenses

	2023 £'000	2022 £'000
Teaching and learning departments	223	198
Teaching and learning support services	660	689
Other support services	42	39
Administration and central services	533	434
General education expenditure	75	64
Premises costs	801	869
Catering	170	88
Total	<u>2,504</u>	<u>2,381</u>

Other operating expenses include:

	2023 £'000	2022 £'000
Auditors' remuneration:		
Financial statements audit	23	19
Internal audit	10	26
Other services provided by the financial statements auditors	5	4
Losses on disposal of tangible fixed assets (where not material)	0	29

9 Interest and other finance costs

	2023 £'000	2022 £'000
On bank loans, overdrafts and other loans:	<u>2</u>	<u>3</u>
	2	3
Pension finance costs (note 23)	<u>41</u>	<u>62</u>
Total	<u>43</u>	<u>65</u>

Saint David's Catholic College

10 Taxation

The Governing Body do not believe the college is liable for any corporation tax arising out of its activities during the year.

11 Tangible fixed assets

	Buildings	Computer Equip	Other Equip	Fixtures & Fittings	Assets Under Const	Total
	£'000	£'000	£'000	£'000	£'000	£,000's
Cost or valuation						
At 1 August 2022	4,408	1,045	827	260	3,210	9,750
Additions	295	160	1	26	4,735	5,217
Movement from AUC to FA	2,775				(2,775)	-
Disposals	-	-	-	-	-	-
At 31 July 2023	7,478	1,205	828	286	5,170	14,967
Depreciation						
At 1 August 2022	(1,806)	(591)	(496)	(11)	-	(2,905)
Charge for the year	(309)	(148)	(93)	(56)	-	(606)
Elimination in respect of disposals	-	-	-	-	-	-
At 31 July 2023	(2,115)	(739)	(589)	(67)	-	(3,511)
Net book value at 31 July 2023	5,362	466	239	219	5,170	11,456
Net book value at 31 July 2022	2,601	454	331	249	3,210	6,845

12 Intangible fixed assets

	Total
	£,000s
Cost or valuation	
At 1 August 2022	34
Additions	0
Disposals	0
At 31 July 2023	34

Saint David's Catholic College

Depreciation

At 1 August 2022	(33)
Charge for the year	(1)
Elimination in respect of disposals	-
At 31 July 2023	(34)
Net book value at 31 July 2023	0
Net book value at 31 July 2022	1

13 Trade and other receivables

	2023	2022
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	29	100
Prepayments and accrued income	381	244
Total	410	344

14 Creditors: amounts falling due within one year

	2023	2022
	£'000	£'000
Bank loans and overdrafts	41	41
Trade payables	865	168
Other creditors (Local Government and Teachers' Pensions Schemes)	383	175
Accruals and deferred income	726	475
Deferred income - government capital grants	445	316
Deferred income - government revenue grants	0	2,637
Total	2,460	3,812

15 Creditors: amounts falling due after one year

	2023	2022
	£'000	£'000
Bank loans	70	114
Deferred income - government capital grants	7,247	1,864
Total	7,317	1,978

16 Maturity of debt

Saint David's Catholic College

(a) Bank loans and overdrafts

Bank loans and overdrafts are repayable as follows:

	2023 £'000	2022 £'000
In one year or less	41	41
Between one and two years	41	41
Between two and five years	30	73
In five years or more	0	0
Total	112	156

17 Provisions

	Defined benefit obligations £'000	Enhanced pensions £'000	Total £'000
At 1 August 2022	1,330	187	1,517
Expenditure in the period	(285)	(9)	(294)
Movement in period	(1,079)	(23)	(1,102)
At 31 July 2023	(34)	155	121

Defined benefit obligations relate to the liabilities under the college's membership of the Local Government Pension Scheme. Further details are given in Note 23.

The principal assumptions for this calculation are:

	2023	2022
Price inflation	2.60%	2.60%
Discount rate	3.40%	1.70%

18 Lease Obligations

At 31 July the college had minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Future minimum lease payments due		
Not later than one year	20	20
Later than one year and not later than five years	8	28
Total lease payments due	28	48

Lease Payments recognised as an expense in 2023 was £19,947

Saint David's Catholic College

19 Financial Instruments

	2023 £'000	2022 £'000
Financial assets		
Financial assets measured at amortised cost	2,520	2,859
Financial liabilities		
Financial liabilities measured at amortised cost	976	498

Financial assets that are debt instruments measured at amortised cost comprise debtors, excluding prepayments, and cash and cash equivalents.

Financial liabilities measured at amortised cost comprise trade creditors, loans, amounts due from connected parties and other creditors.

20 Contingencies

There are no contingencies.

21 Events after the reporting period

There were no events after the reporting period

22 Defined benefit obligations

The college's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Cardiff and the Vale Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by City and County of Cardiff Local Authority. Both are multi-employer defined-benefit plans.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2019 and of the LGPS 31 March 2019.

Total pension cost for the year	£'000	2023 £'000	£'000	2022 £'000
Teachers' Pension Scheme: contributions paid		911		841
Local Government Pension Scheme:				
Contributions paid	285		248	
FRS 102 (28) charge	202		525	
Charge to the Statement of Comprehensive Income		487		773
Enhanced pension charge to Statement of Comprehensive Income		3		4
Total Pension Cost for Year		1,401		1,618

There were no contributions payable to the scheme at 31 July 2023 (2022: £0).

Teachers' Pension Scheme

Saint David's Catholic College

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (the Department) in April 2020. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Welsh Government has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the year amounted to £910,738 (2022: £840,681)

There were no contributions payable to the scheme at 31 July 2023.

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by City and County of Cardiff Local Authority. The total contribution made for the year-ended 31 July 2023 was £391,739.59, of which employer's contributions totalled £285,341 and employees' contributions totalled £106,398. The agreed contribution rates for future years are 17.6% for employers and range from 5.5% to 12.5% for employees, depending on salary.

The FRS 102 asset has not been recognised as it does not reflect any asset ceiling and a decision was taken not to recognise one given that contributions have not reduced materially and the data is very volatile, amongst other factors. The actuarial gain recognised in the Statement of Comprehensive Income is the amount required to retain a "nil" Pension asset value presentation.

Principal Actuarial Assumptions

Saint David's Catholic College

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2022 by a qualified independent actuary

	At 31 July 2023	At 31 July 2022
Rate of increase in salaries	3.6%	3.6%
Future pensions increases	2.6%	2.6%
Discount rate for scheme liabilities	5.0%	3.4%
Inflation assumption (CPI)	2.6%	2.6%

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

	At 31 July 2023 Years	At 31 July 2022 years
<i>Retiring today</i>		
Males	22.0	22.1
Females	24.2	24.6
<i>Retiring in 20 years</i>		
Males	22.6	23.2
Females	25.3	26.0

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	2023 £'000	2022 £'000
Fair value of plan assets	5,310	4,985
Present value of plan liabilities	(5,277)	(6,315)
Asset cap	(33)	0
Net pensions asset/(liability) (Note 17)	0	(1,330)

The FRS 102 asset has not been recognised as it does not reflect any asset ceiling and a decision was taken not to recognise one on the basis that there is not sufficient evidence that the asset could be considered to be recoverable. The actuarial gain recognised in the Statement of Comprehensive Income is the amount required to retain a "nil" Pension asset value presentation.

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2023 £'000	2022 £'000
Amounts included in staff costs		

Saint David's Catholic College

Current service cost	487	773
Total	487	773

Financing cost

Net interest payable	40	61
Total	40	61

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	(140)	(203)
Actuarial gains/(losses) due to changes in financial assumptions	2,021	3,157
Actuarial gains/(losses) due to changes in demographic assumptions	106	0
Actuarial gains/(losses) due to liability experience	(376)	0
Asset cap	(33)	0

Amount recognised in Other Comprehensive Income	1,578	2,954
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Movement in net defined benefit (liability) during the year

	2023	2022
	£'000	£'000
Net defined benefit (liability)/asset in scheme at 1 August	(1,330)	(3,699)
Movement in year:		
Current service cost	(487)	(773)
Past service cost	(0)	(0)
Employer contributions	279	249
Net interest on the defined (liability)	(40)	(61)
Actuarial gain/(loss)	1,578	2,954
Net defined benefit (liability) at 31 July	0	(1,330)

Asset and Liability Reconciliation

	2023	2022
	£'000	£'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	6,315	8,618
Current service cost	487	773
Past service cost	0	0
Interest cost	215	146
Contributions by Scheme participants	104	91
Experience (gains) and losses on defined benefit obligations	(1,751)	(3,157)
Estimated benefits paid	(93)	(156)
Defined benefit obligations at end of period	5,277	6,315

Saint David's Catholic College

Reconciliation of Assets

Fair value of plan assets at start of period	4,985	4,919
Interest on plan assets	175	85
Return on plan assets	(140)	(203)
Employer contributions	279	249
Contributions by Scheme participants	104	91
Estimated benefits paid	(93)	(156)
Fair value of plan assets at end of period	5,310	4,985

23 Related party transactions

No transactions were identified which should be disclosed as a related party transaction.

No Governor has received any expenses, remuneration or waived payments from the college or its subsidiaries during the year (2022: None).

24 Amounts disbursed as agent

Learner support funds

	2023	2022
	£'000	£'000
Brought forward balance	13	0
Welsh Government grants	243	207
Disbursed to students	(227)	(194)
Administration costs	(0)	(0)
Balance unspent as at 31 July	29	13

Financial Contingency Fund grants are available solely for students. In the majority of instances, the college only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.