

**Minutes of the Meeting of the
Finance and General Purposes Committee
9th December 2010**

Present: Mr H Haines (in the chair)
Mrs L James
Mr P H Martin
Mr B Davies

Apologies: Mr R Gough

Annual Financial Statement for period 1 August 2009 to 31 July 2010

The Committee considered in detail the contents of the Annual Financial Statement for 2009/2010 which was presented by Mr P H Martin, Deputy Principal (Finance/Planning). The Committee noted that the International Standards of Auditing (ISA 260) were applicable to the audit of the College's accounts.

Following lengthy discussions the Committee noted the external auditor's opinion that:

- a) the financial statements give a true and fair view of the state of affairs of the College as at 31st July 2010 and of the surplus of the College for the year then ended;
- b) the financial statements have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and the Accounts Direction issued by the Welsh Assembly Government;
- c) in all material respects income from the Welsh Assembly Government, grants and income for specific purposes and from other restricted funds administered by the College have been applied only for the purposes for which they were received; and
- d) in all material respects income has been applied in accordance with the Financial Memorandum with the Welsh Assembly Government.

The Committee endorsed the Annual Financial Statement and agreed to recommend its acceptance to the full Governing Body.

The Deputy Principal (Finance and Planning) indicated that this would retain the College's Category A, financial health status which would be commented on in Key Question 3 of the College's Self-Assessment Review.

The Chair recommended that the Principal promote the College's financial and other successes through publicity to staff stating the Governors thanks for their team approach which had generated the College's successes in its financial achievements, the estate rebuilding and other developments that have occurred over recent years.

Quarterly Summary Financial Information Report

The Deputy Principal (Finance and Planning) presented the quarterly summary Financial Information Report to the Committee highlighting the adjustments to profiling the cash flow for post-19 skills and RFM. He explained why the changed cash flow had been amended on B Block. Overall, he was satisfied that targets could be achieved for Post-19 skills and RFM but Pathways to Apprenticeships might be slightly reduced. He highlighted a closing balance of £2.7m as a significant and satisfactory balance as at the end of October 2010.

The Committee noted the reports for the Refectory and Vending services and how these results had been improved significantly throughout November. The Deputy Principal (Finance and Planning) informed the Committee that school contracts and Active Pathways were to be requested to make payment termly to ensure that a more accurate cash flow may be generated and a higher operating profit would be contributed by this work.

The Nursery financial reports were also satisfactory.

Contractors (BNP Paribas) – The Redevelopment of B Block

The Deputy Principal (Finance and Planning) presented Progress Report Ten in respect of the Redevelopment of B-Block. Members received the Report noting that the difference from the original contract sum and estimated final account of appropriate £49,876 was due to additional works in connection with the redevelopment.

Verbal Report of the Deputy Principal (Finance and Planning) on WCEU's

The Deputy Principal (Finance and Planning) informed members that the WCEU report would be forwarded to DCELLS in December with further information being provided to the Committee at the next meeting. He explained that he was confident in the College achieving its targets in this area.

Ystrad Mynach Property Services

The Committee noted that Ystrad Mynach Property Services had been established some time ago to manage Value Added Tax. The Deputy Principal (Finance and Planning) had indicated that it might, after considering the options open to us, be reasonable to dissolve the company or to apply for a change of use to meet other strategic services being offered by the College.