



**South West College**

**Annual Report and Financial Statements**

**For the Year Ended 31 July 2024**



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**Year Ended 31 July 2024**

*The Accounting Officer authorised these  
financial statements for issue*

*on  
19<sup>th</sup> December 2024*

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*on  
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# Strategic Report for the Year Ended 31 July 2024

## NATURE, OBJECTIVES AND STRATEGIES

### Organisational Overview

South West College (SWC) is a substantial provider of education and training with a main catchment covering the counties of Tyrone and Fermanagh. As part of the Northern Ireland Further Education (FE) sector, South West College takes a pivotal role in generating a strong and vibrant economy through the development of professional and technical skills, increasingly at higher levels. South West College has a dual mandate to support economic development through education and skills, and to support social inclusion by providing those with low or no qualifications, or who have other barriers to learning, with the skills and qualifications needed to find employment and to become economically active.

The College's primary intake area effectively covers the council districts of Fermanagh and Omagh (F&O) and a significant component of Mid Ulster (MU), an extensively rural industrious region, highly successful in many respects. South West College operates across the four major towns in the region: Omagh, Dungannon, Cookstown and Enniskillen and falling within the Council Districts of Fermanagh and Omagh District Council and a significant component of Mid Ulster. Collectively both councils have a population of approximately 268,000. The College's footprint covers a large rural area within those Council Districts servicing a population of 215,000 people approximately. Although encompassing a primarily rural area, our campuses are located within an industrial region which is home to key sectors including Manufacturing, Engineering and Construction. The College offers a broad spectrum of high quality professional and technical education aimed at meeting the needs of our students, the local community and industry in this region.

Whilst the region continues to be challenged by pockets of low qualification attainment and economic inactivity, it is also home to a significant industrial base including the Mid Ulster Manufacturing cluster which employs almost twice as many people in this sector than any other Council region in Northern Ireland. Health and Social Care, Construction and Retail also remain economically important sectors of the regional economy.

At a regional level South West College works strategically with Fermanagh & Omagh and Mid Ulster District Councils to shape and realise the Community Plans of both regions. Both these councils have recently come together, along with Armagh, Banbridge and Craigavon Borough Council to build a new economic alliance for the 'Mid-South West' region and a new Regional Economic Strategy has been developed. South West College has also actively participated in the newly established Labour Market Partnership initiatives led by the local councils.

There are several sub-regional issues pertinent to the area that shape College priorities, community engagement and the skills and employability initiatives we offer to our students. Economic inactivity remains an ongoing issue for the region with a quarter of the working age

population considered as economically inactive. In addition to this, the region has consistently ranked high in terms of its percentage of working age residents having no formal qualifications, with above NI average rates and falling within the lowest performing council areas. It is against this background that the College continues to prioritise targeted social inclusion and employability initiatives as the initial steps on a pathway where all learners can enter at their level and progress through a range of professional and technical education options leading to further and higher education.

The industrial profile of the South West region necessitates a particular focus on the development of higher level technical and professional skills. South West College has strategically responded to this need through the development of innovative apprenticeships and a modern Further Education curriculum. South West College has also developed a wide range of Higher Education programmes, including honours degrees and foundation degree programmes, mainly in Science, Technology, Engineering and Mathematics (STEM) subjects. South West College works closely with a wide range of partners; universities, schools, businesses and local councils, and has extended its international outreach in support of students and the development of the economy. Accordingly, South West College is a key player in the economic development of the region, working closely with the business community in developing the skills necessary for current and future jobs.

### **Legal Status**

The current arrangements for further education in Northern Ireland were established by The Further Education (Northern Ireland) Order 1997 with Colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the Office for National Statistics, in 2010, reclassified colleges as part of Central Government. This has resulted in colleges being determined as Non-Departmental Public Bodies. Colleges have been granted charitable status by the UK HM Revenue and Customs.

### **Mission Statement**

The College is committed to strengthening the partnership with the communities we serve, to provide citizens from across the region with lifelong high quality, full and part time learning opportunities. A key focus this year will be on student experience and initiatives designed to positively enhance the experience of all students. Commitments are underpinned by the vision, mission, and values which reflect the College's commitment to inspire, promote and empower lifelong learning for the people of the region, working in partnership with our local employers and industry.



## Our Vision, Mission and Values



### OUR VISION

Inspiring Learning -  
Empowering People



### OUR MISSION

South West College works, in partnership, to provide inclusive lifelong learning opportunities, to enrich lives, support business and to promote community, economic and social wellbeing.



### OUR VALUES

Respectful  
Accountable  
Engaging  
Committed

## Strategic Planning and Context

South West College (SWC) in Northern Ireland operates within a strategic framework aligned with regional economic conditions and key policy documents. The college's strategic planning is influenced by the Northern Ireland Programme for Government and the "New Decade, New Approach" agreement, which guide its contributions to economic and social development, and is operational in the annual College Development Plan.

Economy Minister Conor Murphy has outlined four key priorities: creating good jobs, promoting regional balance, raising productivity, and reducing carbon emissions. SWC aligns its strategies with these priorities by focusing on professional and technical education, apprenticeships, and higher education programs, particularly in STEM fields. These efforts aim to support economic development while fostering social inclusion by providing skills and qualifications to those with low or no qualifications.

A significant strategic development for SWC is the Erne Campus, which opened in April 2021. This campus is recognized as a world leader in sustainable educational buildings, being the first in the world to achieve both Passive House Premium and BREEAM Outstanding accreditations. The Erne Campus serves as a living laboratory for student learning and exemplifies SWC's commitment to sustainability. It supports carbon reduction targets through innovative design features like advanced insulation, renewable energy systems, and energy-efficient technologies.

Through these initiatives, SWC demonstrates its commitment to Minister Murphy's priorities by creating sustainable educational environments that enhance regional economic growth, improve productivity, and contribute to carbon emission reductions.

## Student Success

South West College had three students shortlisted at the NI Apprentice Awards 2024, with one being recognised as the Higher Level Apprentice of the Year.

Participating in skills competitions with the support of Lecturers and Skills Champions enhances the confidence and motivation of participants alongside building professional and technical skills. In 2023-24, the NI Skillbuild competition final was hosted at the Technology and Skills Centre Enniskillen on 23rd May 2024, with three South West College students securing medals. One apprentice, Daniel Knox, progressed to the international Worldskills competition in Lyons France and received a Medallion for Excellence. The College is keen to maintain the momentum with preparations for the 2024-25 intercampus competitions commencing early in the new year. Past competitors have highlighted that competing was an enjoyable experience and had a beneficial impact on their overall attitude to learning or work. WorldSkills UK states “Over eight in ten said that competing made them feel more ambitious in pursuing their career. 85% of competitors stated that they had increased their technical skill level and 90% said that competing had given them a better understanding of their strengths and weaknesses within their skill area which they can work in when they get back to their college, training provider or employer.”

Given the benefits to participating students, the target for student participation in 2025 has been increased to 350.

During the academic year 2023/24, the College was awarded the accolade of IAB Centre of the Year, nominated for NCFE Centre of the year, and had 6 ATI students placed in the top ten students across the island of Ireland. The college also achieved both the Cyber Essentials Certification and the Cyber Essentials Plus Certification, which is the highest level of external, independent assurance from the National Cyber Security Centre.

### **South West College Development Planning**

For the period 2024/25, a College Development Plan (CDP) has been produced and this sets out, in detail, the current operating environment and the regional operating context in the South West. The CDP also presents the key performance indicators (KPIs) for curriculum and qualifications, employer engagement and social inclusion within the budget allocation.

A core aspect is that South West College curriculum provides direct opportunities for student progression either within the College or in conjunction with partner organisations. Curriculum priorities are informed by skills needs identified through key government strategies, the minister’s priorities, the NI skills barometer, FE sector curriculum hubs, local data and direct engagement with employers and employers’ bodies. On an annual basis the current curriculum is reviewed to establish if fit for purpose and new curriculum is planned and developed as needed. This planning process also includes an assessment of need and projected enrolments based on recruitment patterns, conversion rates and historic progression trends. This generates a demand profile for programmes and in turn staffing costs and delivery costs. Consideration in curriculum planning is also afforded to quality assurance and student retention, achievement and success with assessment of strengths and areas for improvement and development.

## Financial objectives

South West College's high level financial aim was to achieve good financial performance through income generation and efficient operation, to support and facilitate the service provision and progress strategic priorities. This was supported by specific financial objectives, which include:

- To ensure a balanced budget - within Non-Departmental Public Body (NDPB) allocation limits;
- To generate sufficient levels of income to support the asset base of the College;
- Further development of monitoring, reporting, budgetary control and financial management to enhance performance reporting;
- To ensure robust financial planning and risk management;
- To utilise and develop skills and experience to support financial performance; and
- Unqualified External Audit Report.

These objectives were achieved in year and the ongoing strategy is that South West College secures maximum funding for its operations and utilises this funding in a way that is most beneficial for students.

During 2023/24, performance against budget has been monitored throughout the year by the quarterly preparation of South West College Management Accounts, to include an Income and Expenditure account and Statement of Financial Position, with comparatives against its prior year position. These are reviewed by the South West College Management Team and presented to the Governing Body throughout the year. Each month budget holders have been issued with financial reports indicating performance against budget and highlighting variances.

## Performance Summary

The 2023/24 academic year continued to see a return to a more normalised operating environment in South West College with the disruptive impact of Covid-19 on teaching, learning and operations reduced. Over the course of the year South West College continued to focus on students, staff and curriculum at the core and on delivering excellent results and outcomes. In a rural region, an important South West College priority is to provide a progression pathway for all students from Level 2 to Level 6 through curriculum which is directly aligned to the needs of industry. This year, a highlight was the continued growth in Higher Level Apprenticeships which is an important new progression pathway for work-based learning students in industry, and the continued development of Traineeships and Advanced Technical programmes, along with introduction of apprentices in new areas such as Dental Nursing. The college also prioritises working with those currently having difficulty entering the workforce due to lack of qualifications or other reasons and runs a number of externally funded Social Inclusion projects to build capacity and capability in our local community.

Performance objectives for the 2023/24 academic year were established at the start of the year through the annual college development planning process. Article 20 of the Further Education (Northern Ireland) Order 1997 requires that each college prepare a College Development Plan

(CDP) for submission to the Department for the Economy. The CDP outlines South West College's strategy and business plan.

The CDP sets out the operational plans within the budget remit defined by DfE. The educational and performance measures are detailed in three report cards:

- Report Card 1 – Innovation;
- Report Card 2 – Inclusive Growth; and
- Report Card 3 – Sustainability.

On an annual basis the development plan is reviewed to establish if fit for purpose and new curriculum and services are planned. Performance objectives are considered across a number of areas in terms of curriculum delivery, student performance, social inclusion and employer engagement. These education outcomes and associated performance measures have been developed and align with the Outcome Based Approach (OBA) approach promoted by the draft Programme for Government.

### Curriculum Delivery

In relation to curriculum delivery, in 2023/24 the number of South West College enrolments excluding Essential Skills was 17,077. This represents an increase of 431 enrolments in comparison to 2022/23 levels of 16,646. The total number of students across all campuses and out-centres was 11,877.

Skills for life and Work achieved 293 total enrolments, Traineeships 938 enrolments, AppsNI 2,718 enrolments, and HLAs 530 enrolments. This represents significant growth in real terms. This is a result of increased demand for work-based technical skills and demand from local industries, in particular in engineering and construction which, outside of retail and agriculture, are the largest employment sectors in the region, along with the introduction of apprenticeships in new areas such as pharmacy assistants.

Delivery of full-time FE provision increased from 1,218 to 1,246 in line with trends across the FE sector in NI. FE enrolments were 103.1% of CDP targets. This pressure on FT FE enrolments has been evident for a number of years and remains a significant concern. Whilst recognising that the number of school learners at 16 years of age has dropped, the extent of the decline is attributed to the outworking of education policy across NI and in particular the growth in sixth form provision and a funding model that has incentivised schools to retain learners leading to increased levels of duplication of provision between both schools and colleges. To address this decline new curriculum has been developed through the introduction of the Traineeship and Advanced Technical Programmes. These are new flagship Level 2 and Level 3 vocational education programmes that aim to create a pathway that offers participants the opportunity to achieve qualifications equivalent to five GCSEs or 3 A-Levels and will support progression into employment or higher levels of education and training. This year South West College offered Traineeships in IT, hairdressing, engineering, carpentry & joinery, plumbing, engineering, retail and motor vehicle

and Advanced Technicals in Engineering, Construction, and IT.

Delivery of HE provision remains challenging with a slight increase in the number of full-time enrolments 454 to 468. HE overall is at 98.8% of CDP target.

Part-time HE enrolments decreased from 721 to 525. This met the college CDP target as it was anticipated as the increasing popularity of HLAs and a decrease in offer of online part time HE courses offered during the covid period has resulted in a decrease in part time HE enrolments.

**Source: SWC CDR**

## Student Performance

FE College performance is measured across three indicators:

- Retention rate is defined as the percentage of final year regulated enrolments completed by students. Since 2012/13, those who complete their course early (and recorded in the data as a withdrawal) and who have subsequently achieved their programme of study qualification have been regarded as a 'completer';
- Achievement rate relates to the percentage of final year regulated enrolments completed by students who achieve a qualification; and
- Success rate is recognised as the overall measure of performance, which is the percentage of final year regulated enrolments of students who complete and achieve a qualification.

### Retention Rate

Over the period 2018/19 to 2022/23, the retention rate at FE Colleges has stayed steady at 90% In 2023/24 retention in SWC decreased by 2% to 88%, compared to a sector average of 90%.

### Achievement Rate

The achievement rate at FE Colleges has stayed steady at 86% overall, while that of SWC has stayed steady at 83%.

### Success Rate

Pre Covid performance rates for colleges were relatively steady in FE, however rates lag below the sector average. Performance rates fell in 23/24 by 2%. This is a key priority area to address.

The biggest divergence from the sector is at Levels 2 and below, where success is 7% below the sector average.

The vocational area with the biggest divergence from sector average is Preparation for Life and Work (Essential Skills, ESOL, Employability programmes) at 13% below the sector average. This is

the largest area for enrolments in the College.

There is an established link between economic deprivation and educational attainment which is a contributory factor here. 86% of SWC learners come from the bottom three deprivation quintiles, compared to 66% of the sector average. Therefore, continuing to promote essential skills development, education outcomes and entry into education for disengaged individuals will remain as a priority for South West College, despite it being one of the more challenging areas of work.

South West College has enhanced the curriculum this year through the further development of employability, and enterprise skills. Academic staff work to embed Project Based Learning innovative concepts to provide a more flexible, responsive curriculum that enables students to improve their communication skills, become problem-solvers, develop a positive attitude and demonstrate entrepreneurial skills which promote job readiness. The College is leading on the use of Artificial Intelligence in enhancing the curriculum and staff have presented at conferences including at Ulster University and Cambridge University.

## Social Inclusion

The Social Inclusion provision in South West College continues to be strategically important, given regional data which shows that South West College attracts one-half (49.1%) of its students from areas of high social deprivation and disadvantage, domiciled in deprivation quintiles 1 and 2. South West College has seen a growth in enrolments from students from deprivation quintiles 1 and 2, from 9,296 in 2022/23 to 9,623 in 2023/24, (+3.5%) and from students with registered disabilities; 1,802 to 2,168 (+20.4%) respectively.

South West College has a clear vision for social inclusion and is highly committed to developing accessible learning programmes that enable progression pathways irrespective of the students' entry point or socio-economic barriers to education. South West College strives for success, to meet the diverse and often complex needs of these students through a range of provision and externally funded programmes which supports 803 people annually with progression to education, training and employment. This support has ensured 105 students progressed to sustained employment and 253 progressed to FE/HE/Training programmes.

As a result of EU Exit, there was a risk of a reduction in this provision if no replacement projects or funding were successfully secured. The college availed of funding opportunities such as Peace Plus and is currently delivering a programme on behalf of the UK Shared Prosperity Fund. This year we were successful in our bid for funding for Youthscape + under Peace Plus, securing €7.2M over a four year period which will support 1,200 young people within the border counties. South West College remains committed to supporting all citizens of the region to meet their full potential and will offer part time FE and Skills for Work and Life options to students.

## Employer Engagement

Employer engagement, and in particular Small and Medium Sized Enterprises (SME) innovation, remains an important area in South West College with 250 businesses supported annually through the South West College InnoTech innovation centre. This includes InnovateUs innovation support, innovation vouchers, Intertrade Ireland Boost programme and Knowledge Transfer Partnerships. Product development and innovation is at the heart of growth, but often needs costly technology support. These programmes help businesses to develop new and innovative products, improve existing products, streamline production processes, implement quality systems, improve environmental performance, enhance design capabilities, and develop and implement IT solutions. They enable companies to seek knowledge and expertise from colleges on projects such as:

- ideas for new or improved products, processes, and services;
- product and service testing;
- access to information and expertise on new materials; and
- tapping into research and scientific expertise.

In 2023/24 South West College maintained delivery on the DfE funded InnovateUs and Skills Focus programme (£250,000 delivery, 231 employees, although this crosses the years 2022/23 and 23/24, with 23/24 enrolments of 204). This programme facilitates collaborative working between business and the Colleges to provide tailored skills provision to SMEs to increase the skills levels of the workforce to Level 2 and above.

2023/24 saw the introduction of several new Skills Initiatives such as Ignite Your Skills and SME Productivity Booster where the team supported 7 businesses with lean manufacturing, cost reductions and productivity. The college also delivered the Professional Recognition qualification to businesses in the region, and supported employees with management experience but no formal qualifications in that area to achieve the level 5 Professional recognition in Leadership & Management which is mapped out based on skills and experience, and was portfolio based.

Intertrade introduced the Business Explorer for academics. This new programme is a pre cursor to the innovation boost programme. South West College secured one project with a business in the South of Ireland.

## Key Performance Indicators and Outcomes

SWC performance for 23/24 against the targets in the College Development plan is noted in table 1 below. Areas where targets are not met are explained in table 4.

Looking forward, in the 2024/25 academic year, South West College performance is projected to grow in a number of areas compared to 2023/24. Full time and part time FE enrolments are planned to increase slightly. South West College projects an increase in HE provision in particular in part-time courses, and Higher Level Apprenticeships, due to the introduction of new curriculum provision. South West College also anticipates growth in apprenticeships and in the newly



introduced Traineeship and Advanced Technical Award programmes as these become further established and embedded. In relation to employer engagement, this is driven by employer demand and South West College anticipates delivery at a level consistent with previous years, albeit with fewer apprentices and more traineeships due to a lack of employed positions in some major local industries for this year. Overall performance levels for student retention, achievement and success are projected to improve compared to 2022/23 levels, particularly in the area of achievement and hence success.

Table 1 shows curriculum key performance indicators in terms of enrolment levels for full time FE and HE, Work Based Learning, Traineeships and Essential Skills. Metrics in relation to priority skill areas and STEM are also included. Performance in two areas, HE Full Time and SFLW/ Apprenticeships fell below projected targets and an explanation for this is provided in Table 4.

2023/24 Qualifications	Target (Enrolments)	Achieved
Further Education Full Time	1,267	1,246 (98.7%)
Further Education Mainstream Part Time	3,017	3143 (104%)
Higher Education Full Time	515	468 (90.8%)
Higher Education Part Time	490	521 (106%)
SFLW/Apprenticeships	3,150	3,007 (95.4%)
Traineeships	494	604 (122%)
Higher Level Apprenticeships	500	530 (106%)
Essential Skills	2,300	2,358 (102%)
<b>Retention</b>	88%	88%
<b>Achievement</b>	85%	83%
<b>Success</b>	75%	73%

**Table 1: Curriculum KPI**

Table 2 shows employer engagement performance in terms of budget spend on core programmes, delivery of three Assured Skills Academies and other key innovation programmes. Performance on the Innovation Boost and Innovation Vouchers programmes fell below the projected target and a rationale for this is provided in Table 4.

2023/24 Employer Engagement Target	Achieved
InnovateUs - Budget Spend £350,000	£350,400
Skills Focus - Budget Spend £200,000	£250,000
Assured Skills Academy	£150,000
Fusion and KTP Projects - 7 projects	2 projects
Innovation Voucher projects - 13 projects	6 projects
SME Productivity Booster	7 complete

**Table 2: Employer Engagement KPI**



Table 3 shows social inclusion and social deprivation performance in terms of enrolments in key areas, outputs from targeted programmes and overall number of individual students supported. Most areas exceeded projected performance in social inclusion.

Planned Activity	2023/24 Planned	2023/24 Achieved
Enrolments within Quintile 1 and 2	7,830	9,623
Enrolments declaring a disability/long term health problem	1,530	2,168
Enrolments on Entry Level and Level 1 Programmes (including Essential Skills)	6,750	8,008
Individuals on Step Up and Skills for Life and Work	382	371
Enrolments on Targeted Programmes (REAP and Going Places)	250	261
Enrolments on ESOL programmes	350	284

**Table 3: Social Inclusion KPI**

The specific areas of underperformance in terms of curriculum enrolments and employer engagement with a rationale provided for each area of underperformance are discussed below:

Planned Activity	2023/24 Planned	Actual	Reasons for Variances
Higher Education Full Time (HE FT)	515 enrolments	468 enrolments (90.8%)	HE FT recruitment had been challenging for various reasons - direct progression from FE programmes has reduced, due to an overall decline in FE FT. Grade inflation at A-Level has also resulted in a larger number of students, who would have traditionally followed a 'HE in FE' pathway, going directly to university. The Higher Level Apprenticeship pathway has also proved attractive, and this has had an impact.
Fusion and Knowledge Transfer Partnerships	7 projects	2 projects	Constraints in staff resources impacted on the number of projects delivered.
Innovation Voucher Projects	13 Projects	6 Projects	Constraints in staff resources impacted on the number of projects delivered.
SFLW/Apprenticeships	3,150	3,007 (95.4%)	A decrease in apprenticeships was accompanied by a raise in traineeships as employers in a number of areas preferred to take students on work placement rather than take the student on as an employed apprentice.
Achievement Rate	85%	83%	The college achievement rate was planned to bring it in line with the sector average. The actual achievement rate is 2% below planned. The college achievement rate at level 4 and above is 1% above sector average The college achievement rate at level 3 is 2% above sector average. However, the college achievement rate at level 1 is 5% and at level 2 is 3% below sector average. Given the large numbers of students on level 1 and 2 courses in the college, the net effect was to reduce the overall achievement rate.
Success Rate	75%	73%	Success is a product of retention multiplied by achievement. A drop in achievement gives a consequent drop in success rates.

**Table 4: Underperformance of Curriculum Enrolments and Employer Engagement**

Source: SWC CDR

## FINANCIAL POSITION

### Financial Results

South West College generated a deficit on continuing operations of £4.085M in the year (2022/23 – deficit £1.403M). South West College recognised an exceptional gain of £604k (2022/23 £459K) as a result of an insurance rebate from Resolis after an annual benchmarking exercise.

South West College's turnover decreased by £1.561M (3.1%) to £49.167M. Staff costs have decreased by £374k (1.3%) to £28.591M. Included within this figure are statutory pay increases, however this has been offset by a reduction in staff numbers across the College of 35 as part of the Reform to Save scheme. All staff within this scheme had left the College by 31<sup>st</sup> of July. Other operating expenses have decreased by £1.624M (10.4%).

South West College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2023/24, DfE provided 55.6% of South West College's total income through allocated recurrent grant (2022/23 67.8%). This represented 13.26% of the total recurrent grant available to the sector (2022/23 15.7%).

South West College is involved with various educational partnerships and joint ventures. None of these are considered to be material, nor do they have any significant assets or liabilities not already reflected in the financial statements.

The interest charges of £2.682M relate to the notional interest calculated in respect of the PFI contracts of £2.680M and a finance interest charge of £2K in relation to accounting for pensions. At the 31 July 2024 there were thirteen years remaining on the PFI contracts and a total liability of £29.448M.

Buildings were subject to an indices based valuation as at 31<sup>st</sup> July 2024 provided by Land and Property Services. The £3.966M movement on revaluation comprised annual revaluation of buildings and land.

In the financial year ending 31 July 2023, The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension moved from a pension liability to a pension asset. The recognition of a pension surplus per Accounting standard FRS102 (section 28) notes that a pension asset may be restricted, if the College cannot benefit from reduced employer contributions in the future. Therefore, the asset ceiling for the annual financial statements for the year ended 31st July 2024 has been set to zero in the Statement of Financial Position, and the prior year comparative (31<sup>st</sup> July 2023) restated accordingly.

## Reserves

South West College has accumulated reserves of £97.005M, including a property revaluation reserve of £93.67M, and cash balances of £3.35M.

The revaluation reserve of £93.67M has accumulated through revaluation of land and buildings over the cost, capitalised value or in respect of assets inherited at no cost from another party.

## Treasury policies and objectives

### Treasury Management

Treasury management is the management of South West College's cash flows, its banking and investment transactions and the effective control of the risks associated and pursuit of optimum performance consistent with those risks – to attain the best rate of return on investment funds.

As interest rates continue to remain low and as a result of the cash drawdown process now in operation, South West College has retained cash in current accounts during 2023/24.

### Cash flows

The operating cash flow for South West College for the year decreased slightly, reflected in the movement of net funds in the Cash Flow Statement. South West College had no borrowings at the year end or during the year. With a cash balance of £3.35M (2022/23 £3.86M), South West College's liquidity is within the Department's target for College cash reserves.

## **CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE**

### **Student Numbers**

The South West College's student establishment increased during the year by 11.03%, giving a total establishment equivalent of 4,984 full time equivalent (FTE) students (2022/23 – 4,489). This comprised of further and higher education FTE students funded by DfE and FTE students who are separately funded through training, cost recovery or other programme arrangements.

### **Further Education Reclassification**

In October 2010, the Office of National Statistics reclassified Further Education Colleges from Non-Profit Institutions Serving Households to Central Government, which is from private to the public sector. From 1 April 2012 it was confirmed that for Northern Ireland, the Further Education Colleges would be brought within the budgetary responsibility of the Department for Employment and Learning (now the Department for the Economy) and required to accord with the same budgeting and reporting disciplines as other Non-Departmental Public Bodies.

### **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%.

During the accounting year from 1 August 2023 to 31 July 2024, South West College paid 93% (2023 - 86%) of its invoices within 30 days, and 39% (2023 – 32%) within 10 days. South West College incurred no interest charges in respect of late payment for the year. The South West College is committed to the prompt payment of suppliers of goods and services in accordance with the Confederation of British Industry's prompt payers' code and British Standard BS 7890. Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, on presentation of a valid invoice or similar demand, whichever is later.

### **Events after the Reporting Period**

#### **Non-Teaching Pay Award – April 2024**

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. The rates of salaries from 1 April 2024 were published by NJC on 22 October 2024. These rates of salaries for non-teaching staff have been accrued in staff costs for the year ended 31 July 2024.

## Going Concern

South West College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the department's future sponsorship and future Assembly approval will not be forthcoming to meet South West College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

## Future Developments

The South West College is committed to acting as a key driver of local and regional economic development and as a promoter of lifelong learning. South West College will foster partnership activity and innovation to support development, locally and regionally. South West College will seek to achieve all developments in an environment of good governance, with internal control and accountability at all levels to ensure that it operates in an effective manner.

For the period 2024/25, South West College is preparing a new College Development Plan aligned with the reporting requirements prescribed by the Department for the Economy. This sets out the detail of the current operating environment and presents key performance indicators for curriculum, employer engagement and social inclusion within the 2024/25 budget allocation.

Planned provision will remain closely aligned to the DfE Minister's priorities and the skills needs identified within the NI Skills Barometer. The college aims to have provision from Level 1 to Level 6, both on an employed and non-employed route, in all vocational areas. It will also expand its upskilling and reskilling offer particularly through online courses and will exploit opportunities offered by all age apprenticeships and public sector apprenticeships when they are introduced.

Accordingly, South West College will maintain its focus on the dual mandate of supporting innovations, sustainability, and social inclusion through provision aimed at supporting those currently excluded from the workplace by education or skills deficits; on middle and higher level skills development; and on growing the work based learning provision. It will seek to develop and introduce work based provision in an area which has traditionally not had an employed route for those who might wish to earn while they learn.

The college will continue to build non employed FE provision at Levels 2 and 3 which is distinct from that offered by schools.

## Resources

The South West College has various resources that it can deploy in pursuit of its strategic objectives.

The South West College's estate includes:	Cookstown Campus	valued at £3,731,756
	Dungannon Campus	valued at £39,634,169
	Skills Centre Campus	valued at £17,736,734
	Omagh Campus	valued at £42,043,789
	Erne Campus	valued at £51,526,659

## Financial

Net assets at 31 July 2024 were £97.005M (including £46k unfunded pension liability) and the South West College has long term debt for the PFI contracts of £28.059M.

## Reputation

South West College has a good reputation locally and nationally and maintaining a quality brand is essential for South West College's success at attracting students and external relationships.

## PRINCIPAL RISKS AND UNCERTAINTIES

South West College is committed to fostering an environment where the uncertainties of downside risks (hazard) are minimised, and the rewards of pursuing upside risks (entrepreneurial opportunities) are realised commensurate with its academic, financial and other objectives. To assist in the achievement of this goal, South West College will:

- Identify, analyse, and control those risks which might inhibit the College from achieving its strategic and/or operational, academic and financial objectives;
- Raise awareness of and integrate risk management into the processes of managing the College; and
- Promote an understanding of the importance of risk management and encourage staff to be more proactive in achieving these objectives.

Based on the College Development Plan, South West College undertakes a comprehensive review of the risks to which the organisation is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented, and the subsequent year's appraisal will review their effectiveness and progress against risk mitigation actions.

Risk registers have been prepared both at College level and at Departmental/Sectional level internally and these registers are reviewed internally by the Risk and Compliance Committee. Individual Key risks selected by the Audit and Risk Committee have been subjected to a "Deep Dive" and scrutiny by the Audit and Risk Committee.

The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on South West College should the risks materialise, and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This activity has also been supported by training to raise awareness of risk throughout South West College.



Outlined below is a description of the principal risk factors that affected South West College during 2023/24 as detailed in the Corporate Risk Register.

	Risk Description
1	Inability to meet the terms of the College's contract with learners and DfE due to the impact of industrial action
2	Poor governance arrangements and loss of faith in College Management
3	Inability to fulfil contractual obligations for Apprenticeships and Skills for Life and Work programmes
4	Failure to provide a safe and healthy environment for staff, students and visitors
5	Failure to operate within budget
6	Failure to protect students (mental health/safeguarding)
7	Failure to prevent a cyber attack
8	Failure to meet targets i.e. recruitment, retention, achievement
9	Failure to attract and retain suitably qualified staff
10	Learners at all levels will not receive a high-quality student experience

**Table 5: Risks Identified 2023/24**

### Stakeholder Relationships

In line with other Colleges and with Universities, the South West College has many stakeholders.

These include:

- Students
- Staff
- Department for the Economy
- Other Government departments
- Local employers
- Local councils
- Other Further Education Colleges and training organisations
- Other Government Agencies
- Community and Voluntary Sector
- Local Universities
- Awarding bodies
- Trade Unions
- Professional bodies
- Industry Representative Organisations

The South West College recognises the importance of these relationships and engages in regular communication with them through a variety of methods, in line with its communication strategy. The South West College considers good communication with its staff to be very important and regular meetings are held. South West College encourages staff and student involvement through membership of the Governing Body.

### Disclosure of Information to Auditors

These accounts are subject to audit by the Comptroller and Auditor General for Northern Ireland. 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 South West 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 South West College's auditors are aware of that information.

### **Personal Data Related Incidents**

There have been no personal data related incidents during 2023/24.

### **Charitable and Taxation Status**

The South West College has charitable status with HM Revenue and Customs and is not liable to corporation tax.

### **Charitable/Political Donations**

The South West College made no charitable or political donations during the year.

### **Professional Contacts**

External Auditors: Northern Ireland Audit Office  
Address: 106 University Street, Belfast, BT7 1EU

Internal Auditors: RSM Northern Ireland (UK) Limited  
Address: 1 Lanyon Quay, Belfast BT1 3LG

Bankers: Danske Bank  
Address: 5-7 Market Street, Omagh, Co. Tyrone, BT78 1BN

## Governors

The members who served the Governing Body during the year were as follows:


Governor	Date of Appointment	Term End Date	Leaving Date	Status of Appointment	Committees Served
Mrs Libby Armstrong	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> </ul>
Mr Michael Barnett	10 October 2023	9 October 2027	N/A	Co-optee	<ul style="list-style-type: none"> <li>Finance &amp; General Purposes Committee</li> </ul>
Ms Siobhan Breen	22 November 2019	21 November 2023	N/A	Staff Governor	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> <li>Curriculum &amp; Quality Assurance Committee</li> </ul>
Mrs Deborah Brown	29 October 2020	28 October 2024	N/A	Staff Governor	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> <li>Finance &amp; General Purposes Committee</li> </ul>
Mrs Maureen Brunt	29 September 2022	28 September 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> <li>Finance &amp; General Purposes Committee</li> </ul>
Dr Frances Campbell	1 July 2022	30 June 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> </ul>
Mr Tom Corr	22 November 2023	21 November 2027	N/A	Staff Governor	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> <li>Curriculum &amp; Quality Assurance Committee</li> </ul>
Mrs Maria Curran	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> </ul>
Dr David Cutting	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Finance &amp; General Purposes Committee</li> </ul>
Mr Jack Daly	7 November 2022	30 September 2023	N/A	Student Governor	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> </ul>
Mrs Maria Hackett	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Finance &amp; General Purposes Committee</li> </ul>
Mr Diarmuid Hanna	20 November 2023	30 September 2024	N/A	Student Governor	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> </ul>
Mr Brian Ingram	1 July 2022	30 June 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> <li>Staffing Committee</li> </ul>
Mrs Sandra Isherwood	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> <li>Staffing Committee</li> </ul>
Ms Alana Jones Campbell	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> <li>Staffing Committee (Chair)</li> </ul>

Governor	Date of Appointment	Term End Date	Leaving Date	Status of Appointment	Committees Served
Ms Celine McCartan	10 October 2022	When leaves Principal and Chief Executive's post	N/A	Principal and Chief Executive	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> <li>Finance &amp; General Purposes Committee</li> <li>Staffing Committee</li> </ul>
Ms Anne McCleary	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Curriculum &amp; Quality Assurance Committee</li> <li>Staffing Committee</li> </ul>
Mrs Gillian McDowell	1 October 2018	30 September 2026	N/A	Co-optee	<ul style="list-style-type: none"> <li>Staffing Committee</li> </ul>
Dr Nicholas O'Shiel	7 January 2019	6 January 2027	N/A	Chair	<ul style="list-style-type: none"> <li>Finance &amp; General Purposes Committee</li> </ul>
Dr Lynsey Quinn	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> <li>Audit &amp; Risk Committee</li> <li>Curriculum &amp; Quality Assurance Committee (Chair)</li> </ul>

**Table 6: Members who served the Governing Body 2023/24**

Attendance records for Governing Body members are disclosed on page 45.

Accounting  
Officer



Date 16 December 2024

## Members of the Governing Body

Members of the Governing Body and the Chairman are appointed by DfE in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. The Members of the Governing Body and the Chairman are appointed for a fixed period of up to four years. Thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of Governing Body members (excluding staff members) was first introduced by the Department from 1<sup>st</sup> January 2016. There are no arrangements in place for the payment of a bonus.

The Governing Body Chair and individual Governors are not deemed to be employees of the College and are therefore not eligible to join the NILGOSC Pension Scheme. The Pensions Regulator has confirmed that the Governing Body Chair and individual Governors are excluded from the pension auto-enrolment process as members of the Governing Body do not hold a contract of employment with the College. The College also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the College.

The remuneration of the Chairman and Board members are as follows:

### Audited Information

	2023-2024				2022-2023			
	Salary & Allowances £'000s	Benefits in Kind £'000s	Pension Benefits £'000s	Total £'000s	Salary & Allowances £'000s	Benefits in Kind £'000s	Pension Benefits £'000s	Total £'000s
Libby Armstrong	0-5	-	-	0-5	-	-	-	-
Michael Barnett	0-5	-	-	0-5	-	-	-	-
Maureen Brunt	0-5	-	-	0-5	0-5	-	-	0-5
Alana Jones-Campbell	0-5	-	-	0-5	5-10	-	-	5-10
Frances Campbell	0-5	-	-	0-5	0-5	-	-	0-5
David Cutting	0-5	-	-	0-5	-	-	-	-
Maria Curran	0-5	-	-	0-5	-	-	-	-
Jack Daly	0-5	-	-	0-5	0-5	-	-	0-5
Elaine Grier	-	-	-	-	0-5	-	-	0-5
Maria Hackett	0-5	-	-	0-5	-	-	-	-
Diarmuid Hanna	0-5	-	-	0-5	-	-	-	-
Brian Ingram	5-10	-	-	5-10	5-10	-	-	5-10
Sandra Isherwood	5-10	-	-	5-10	0-5	-	-	0-5
Patricia McCaffrey	-	-	-	-	0-5	-	-	0-5
Seamus McCaffrey	0-5	-	-	0-5	0-5	-	-	0-5
Anne McCleary	0-5	-	-	0-5	0-5	-	-	0-5
Gillian McDowell	0-5	-	-	0-5	5-10	-	-	5-10
Michael McGuckin	0-5	-	-	0-5	0-5	-	-	0-5
Caitlyn McLoughlin	-	-	-	-	0-5	-	-	0-5
Joanne Moore	-	-	-	-	0-5	-	-	0-5
Nicholas O'Shiel (Chairman)	20-25	-	-	20-25	20-25	-	-	20-25
Patrick McKeown	0-5	-	-	0-5	-	-	-	-
Lynsey Quinn	0-5	-	-	0-5	0-5	-	-	0-5

**Table 7: Remuneration of Governing Body 2023/24**

The Student Governor receives remuneration however the staff governors do not receive remuneration or time off in lieu.

## Remuneration Report for the Year Ended 31 July 2024

### The Principal & Chief Executive and Senior Management Team

The Principal and Chief Executive and the Senior Management Team appointments are made in accordance with the College's recruitment policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The Principal and Chief Executive and Senior Management Team hold permanent appointments. Staff may be able to retire before state pension age with no diminution of earned pension benefits depending on the terms of their pension. The policy relating to notice periods is contained in South West College's Staff Handbook.

### Minimum Pay Levels

Minimum pay levels are dependent on college size and vary across the sector.

### Progression

There is no incremental progression for Principal and Chief Executives as they are paid on a one-point scale according to College size. However, if the College size changes they will automatically move to that new salary point.

At initial appointment, Deputy Chief Executives are normally placed on the bottom point of the four-point scale relevant to the size of their College. Thereafter, there is annual incremental progression up the scale until the maximum of the scale is reached. A common incremental date of September is used for all Deputy Chief Executives. If the College increases in size a Deputy Chief Executive will automatically move to the new relevant salary scale.

### Performance Pay

There is no performance pay or related scheme for the Principal and Chief Executive or any Deputy Chief Executive.

### Total Reward Package

Senior staff within Colleges have access to the Northern Ireland Teachers' Superannuation Scheme.

Senior staff posts are based on 36 hours per week and post holders have access to South West College's Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All senior staff have 35 days holiday entitlement and a further 12 statutory and public holidays as recognised by the sector.

### Service Contracts

South West College appointments are made on merit on the basis of fair and open competition. Unless otherwise stated, the officials covered by this report hold appointments, which are open ended. Early termination, other than for misconduct, would result in the individual being entitled to receive compensation.

### Salary and Pension Entitlements (Audited)

The following sections provide details of the remuneration and pension interests of the most senior management of South West College.

	2023-2024			2022-2023		
	Salary (Audited) £'000	Pension Benefits £'000*	Total £'000	Salary (Audited) £'000	Pension Benefits £'000*	Total £'000
Celine McCartan – Principal and Chief Executive <sup>1</sup>	100-105	1	100-105	85-90 (100-105 full year equivalent)	76	160-165 (175-180 full year equivalent)
Padraig McNamee – Director of Curriculum/Deputy Chief Executive <sup>2</sup>	75-80	56	130-135	5-10 (70-75 full year equivalent)	71	75-80 (145-150 full year equivalent)
Sharon McGrath – Director of Corporate Services <sup>3</sup>	60-65	18	75-80	0-5 (55-60 full year equivalent)	51	55-60 (110-115 full year equivalent)
Ciaran McManus – Director of Development and Support <sup>4</sup>	65-70 (70-75 full year equivalent)	(8)	55-60 (60-65 full Year equivalent)	-	-	-
Jill Cush – Deputy Chief Executive <sup>5</sup>	-	-	-	70-75 (80-85 full year equivalent)	57	125-130 (135-140 full year Equivalent)
Leo Murphy – Former Interim Chief Executive <sup>6</sup>	-	-	-	15-20 (115-120 full year equivalent)	-	15-20 (115-120 full year equivalent)

**Table 8: Senior Management remuneration and pension interests 2023/24**



- <sup>1</sup> Celine McCartan was appointed Principal and Chief Executive 26<sup>th</sup> September 2022.
- <sup>2</sup> Pdraig McNamee was appointed Director of Curriculum and Deputy Chief Executive 1<sup>st</sup> July 2023, having previously held the post of Acting Head of Curriculum at South West College.
- <sup>3</sup> Sharon McGrath was appointed Director of Corporate Services 1<sup>st</sup> July 2023, having previously held the post of Head of Services at South West College.
- <sup>4</sup> Ciaran McManus was appointed Director of Development and Support 14<sup>th</sup> August 2023, having previously held the post of Assistant Chief Executive Industry Partnership and Centres for Excellence.
- <sup>5</sup> Jill Cush resigned from the position of Deputy Chief Executive on 16<sup>th</sup> June 2023.
- <sup>6</sup> Leo Murphy was appointed Interim Chief Executive for the period 1<sup>st</sup> April 2022 to 23<sup>rd</sup> September 2022, on a secondment basis from his position as Chief Executive for North West Regional College. Mr Murphy's Pension benefits are reported in the remuneration report for North West Regional College.

\*The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

## Salary

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any severance or ex-gratia payments.

## Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No senior officials received any benefits in kind. The salary and pension entitlements of the most senior staff members of South West College for the year ended 31 July 2024 are detailed above.

## Bonuses

South West College does not make bonus payments.

## Fair Pay Disclosure - Pay Ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Director in South West College in the financial year

2023-24 was £100,000 to £105,000 (2022-23, £100,000 to £105,000). The relationship between the mid-point of this band and the remuneration of the College’s workforce is described below:

	2023-24	2022-23
<b>25<sup>th</sup> Percentile</b>	£23,893	£21,968
<b>Pay Ratio</b>	4.29:1	4.67:1
<b>Median Pay</b>	£32,218	£28,900
<b>Pay Ratio</b>	3.18:1	3.55:1
<b>75<sup>th</sup> Percentile</b>	£39,495	£35,512
<b>Pay Ratio</b>	2.60:1	2.89:1

**Table 9: Relationship between band and remuneration of College workforce**

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The 25th percentile, median and 75th percentile remuneration values consist solely of salary payments. Remuneration ranged from £23,114 to £102,500 (2022-23, £20,283 to £102,500).

#### **Fair Pay Disclosure – Percentage Change in Remuneration (Audited)**

Reporting bodies are required to disclose the percentage change from the previous financial year in the: (i) salary and allowances, (ii) performance pay and bonuses, of the highest paid director and of the employees as a whole.

The percentage changes in respect of South West College are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell each year.

Percentage Change for:	2023/24 compared to 2022/23
<b>Average employee salary and allowances</b>	15.3%
<b>Highest paid director’s salary and allowances</b>	0%

**Table 10: Salary and Allowances % Change**

There is no Performance Related Pay for the highest paid Director or any other employee  
The following pay awards were applied in 2023/24:

#### **Further Education Lecturers’ Pay (Lecturer’s Contract of Employment)**

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2023 were published on 5 June 2024. The following changes were determined and applied:

- 8.4% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility

and Re-organisation) from 1 September 2023 relating to Lecturer's Contract of Employment (i.e., Associate Lecturers, Full-Time Lecturers, Principal Lecturers', and Heads of Department) and Part-time Hourly Paid Lecturers.

- Salary scale point 1 of the lecturing scale increased to £30,000 from 1 September 2023.

### **Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contract of Employment)**

In January 2024, in accordance with the provisions of Article 11, Schedule 3, paragraph 10.3 of the Further Education (Northern Ireland) Order 1997 and the Constitution for Negotiating the Terms, Conditions of Service and Remuneration of Non-Teaching Staff Employed in Incorporated Colleges of Further Education, the following change was determined:

- £1,925 annual increase on each salary scale point up to point 43 from 1 April 2023. Salary point 44-55 3.88% increase.

All awards applied in 2023/24 were accrued in the relevant period.

The College has accrued expected pay awards, using the NJC pay offer notification dated 23rd October 2024 as follows:

### **Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contracts of Employment)**

- With effect from 1 April 2024, an increase of £1,290 (pro rata for part-time employees) will be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive.
- With effect from 1 April 2024, an increase of 2.50 per cent on all pay points above 43.
- With effect from 1 April 2024, an increase of 2.50 per cent on all allowances.

## Audited Pension Entitlements

	Accrued pension at pension age as at 31/07/2024 and related lump sum £'000	Real increase/ (decrease) in pension and related lump sum at pension age £'000	CETV at 31/07/2024 £'000	CETV at 31/07/2023 £'000	Real increase in CETV £'000
Celine McCartan <sup>1</sup>	60-65	0-2.5	967	889	9
Padraig McNamee <sup>2</sup>	30-35 plus lump sum of 80-85	0-2.5 plus lump sum of 25-30	750	630	120
Sharon McGrath <sup>3</sup>	25-30 plus lump sum of 20-25	0-2.5 plus lump sum of -2.5-0	432	383	17
Ciaran McManus <sup>4</sup>	25-30 plus lump sum of 65-70	0-2.5 plus lump sum of 0-2.5	592	-	-
Jill Cush <sup>5</sup>	-	-	-	510	-
Leo Murphy <sup>6</sup>	-	-	-	-	-

**Table 11: Salary and pension entitlements of the most senior staff members 2023/24**

- <sup>1</sup> Celine McCartan was appointed Principal and Chief Executive 26<sup>th</sup> September 2022.
- <sup>2</sup> Padraig McNamee was appointed Director of Curriculum and Deputy Chief Executive 1<sup>st</sup> July 2023 having previously held the post of Acting Head of Curriculum at South West College.
- <sup>3</sup> Sharon McGrath was appointed Director of Corporate Services 1<sup>st</sup> July 2023 having previously held the post of Head of Services at South West College.
- <sup>4</sup> Ciaran McManus was appointed Director of Development and Support 14<sup>th</sup> August 2023, having previously held the post of Assistant Chief Executive Industry Partnership and Centres for Excellence.
- <sup>5</sup> Jill Cush resigned from the post of Deputy Chief Executive on 16<sup>th</sup> June 2023.
- <sup>6</sup> Leo Murphy was appointed Interim Chief Executive for the period 1<sup>st</sup> April 2022 to 23<sup>rd</sup> September 2022, on a secondment basis from his position as Chief Executive for North West Regional College. Mr Murphy's Pension benefits are reported in the remuneration report for North West Regional College.

## Pension Arrangements

Retirement benefits to employees of the college are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

**NILGOSC** is a funded defined benefit scheme. Benefits earned up to 31 March 2015 are linked to final salary. Benefits earned after 31 March 2015 are based on a Career Average Revalued Earnings Scheme.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49th pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60th pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

The assets of the NILGOSC scheme are measured using closing market values. NILGOSC liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Other Comprehensive Income section of the Statement of Comprehensive Income and Expenditure.

**NITPS** is a funded defined benefit scheme. The NI Teachers' Pension Scheme design was reformed from 1 April 2015. Existing scheme members who satisfied certain criteria remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements. This transitional protection arrangement was, however, considered discriminatory. Thus, the government has introduced primary legislation to make the necessary changes to remedy the discrimination within public service pension schemes. In NITPS the remedy is being implemented in two stages:

- **Stage 1:** The first stage is focused on the technical amendments that are needed to the Northern Ireland Teachers' Pension Scheme regulations to comply with the primary legislation introduced within the Public Service Pensions Scheme & Judicial Offices (PSPJO) Bill. The changes being implemented are:
  - the final salary (legacy) scheme will close to further accrual on 31 March 2022; and
  - all active members of the Scheme will build up pension benefits within the existing career average (reform) scheme from 1 April 2022.

Stage 1 is complete with all active members of the NITPS becoming members of the 2015 reformed scheme (career average) from 1 April 2022, irrespective of age.

- **Stage 2:** This is a retrospective remedy, which will allow eligible members the choice between their legacy scheme (final salary) or 2015 reformed scheme (career average) for the remedy period (1 April 2015 to 31 March 2022). The consultation opened on 21 April 2023 and closed on 16 June 2023.

Following the consultation, new regulations came into operation on the 1 October 2023 to allow current members (Deferred Choice) their choice based on Stage 2 options when they apply for retirement benefits, or those members who have already taken retirement (Immediate Choice) the option to choose which scheme and have their pension payments adjusted accordingly.

All new entrants joining the NITPS have their benefits calculated totally on a Career Average Revalued Earnings (CARE) basis. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th.

The Scheme is funded by contributions made by both employees and employers. See detail of contributions at [www.education-ni.gov.uk](http://www.education-ni.gov.uk).

Contributions to the NITPS are calculated 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 quinquennial valuations using a prospective benefit method. The NITPS is a multi-employer scheme and South West College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

### Enhanced Pensions

There are currently no enhanced pensions payable to any former member of staff.

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NITPS pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being

assumed. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real Increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

## Staff Report for the Year Ended 31 July 2024

### Staff Costs

Staff Costs are disclosed in Note 7 to the Financial Statements (page 77).

### Average number of persons employed (Audited Information)

The average number of permanent full-time equivalent persons employed, including all part-time staff, during the year was as follows (excluding Governors):

Staff numbers (FTE)	2023/24 Average YTD	2022/23 Average
Teaching	272	305
Support	123	112
Administration	162	182
Premises	20	21
<b>Total staff (FTE)</b>	<b>577</b>	<b>620</b>

### Attendance Management

The average number of days lost to sickness absence by all staff for the period August 2023 to July 2024 was 12.96 days or 4.56% (2022/23 12.54 days or 4.54%). This represents a favourable performance when compared to the sector average benchmark of 4.77% for 2023/24 (4.48% 2022/23). The College had a number of employees on long-term sickness some of whom have since exited the College, through ill-health retirement. HR continues to monitor and act on absences in accordance with the policy and this is reported on a monthly basis by HR Business Partners which is subsequently discussed at MOT and Staffing Committee to ensure appropriate governance and action-planning.

### Staff Composition

The table below provides a breakdown of the number of persons (headcount) employed by the College, as at 31 July, by gender for each of the following groups:

Group	31 July 2024			31 July 2023		
	Male	Female	Total	Male	Female	Total
Principal & Chief Executive and Deputy Directors	1	1	2	1	2	3
College Management Team	7	5	12	5	4	9
Employees (excluding Part-Time Lecturers)	183	367	550	215	401	616



## Staff Turnover

Staff turnover (excluding Part Time Lecturers) for the period 1 August 2023 to 31 July 2024 was 16.13%. (2022/23 13.54%)

## Off Payroll engagement

The College had no off-payroll engagements in 2023/24.

## Temporary Staff

During the year to 31 July 2024, there were no temporary agency staff employed (2022/23 Nil).

## Staff Learning and Development

South West College places strong emphasis on providing learning and development opportunities for all its employees through the provision of college-wide opportunities to support personal and professional development of staff, as well as supporting bespoke training required by individuals and teams. The College calendar identifies 4 distinct CPD days in the academic year where learning and development opportunities related to college and employee needs are planned and delivered with mandatory participation by all relevant staff. Individual staff development requests for training and other development opportunities such as participation in industry conferences and events are considered monthly and supported in accordance with key priorities.

An annual focus is placed on developing staff in the area of teaching and learning with opportunities for completion of CIT and PGCE qualifications through Ulster University. Part-time lecturing staff are supported in-house with pedagogic development through a series of workshops facilitated by a Teaching and Learning Advanced Practitioner. In addition, a Curriculum Conference is provided for academic staff annually with a focus on themes related to College priorities and pedagogic trends.

The College supports staff to undertake higher education programmes of study through its Higher Education Professional Development programme which provides a financial contribution towards the completion of Degree and Masters level programmes.

A number of developmental opportunities were provided for Line Managers in the 23/24 academic year in line with the College's People Plan and Strategic Improvement Planning process. The most notable of such opportunities was the Inspiring Leadership, Empowering Leaders programme which all Line Managers took part in, with the aim of improving leadership capability and capacity within the College. In addition, up to 30 employees were given the opportunity to commence an Aspiring Leaders programme in support of a leadership at all levels approach to cultural development.

Staff have also had the opportunity to attend conferences supported through the staff development programme and take part in international exchange opportunities to partner institutions for learning and development purposes.

The College continues to promote health and well-being opportunities with Financial Wellbeing webinar, Wellness Toolkit and Mental Health First Aid training provided to staff college wide in the 23/24 academic year.

All employees are required to complete annual corporate modules which provide key learning and development in important areas such as Fraud, Bribery and Corruption, Safeguarding, GDPR, Health and Safety, Digital Well-being and Mental Health to ensure good governance and well-being practices are adhered to by all employees.

### **Equality of Opportunity and employment of disabled persons**

By virtue of Section 75 of the Northern Ireland Act 1998 the South West College in carrying out all its functions, powers and duties is required to have due regard to the need to promote equality of opportunity:

- a. between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- b. between men and women generally;
- c. between persons with a disability and persons without; and
- d. between persons with dependants and persons without.

Without prejudice to its obligations above, the South West College has, in carrying out its functions, had regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group. The South West College has included the promotion of good relations as part of the corporate planning process.

The South West College is committed to the fulfilment of its Section 75 obligations in all parts of its organisation. The South West College is committed to allocating necessary resources to ensure that the statutory duties are complied with and that the measures within the Equality Scheme to promote equality of opportunity are implemented effectively and on time.

### **Disability Statement**

South West College, as an employer and a provider of further/ higher education, is committed to the provision of equal opportunities for all. The Disability Statement sets out South West College's commitment to both potential and existing employees and students.

The principles, which underline the commitment, are:

- A policy of equal opportunity which seeks to ensure that staff and students who have a disability have equitable access as far as reasonably possible to the full range of facilities, services and aspects of College life;

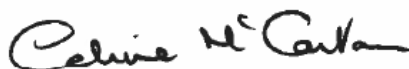
- Creating an environment where disabled people are comfortable in disclosing their disability and are provided with opportunities to disclose at various stages throughout their time at South West College;
- Providing access to the appropriate reasonable adjustments to enable disabled people to overcome any arrangements and/or physical features that make it difficult to access or participate in all aspects of College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment and victimisation;
- Treating all staff and students with dignity and respect and seeking to provide a positive and safe working and learning environment;
- The responsibility to promote informed and positive attitudes to disability; and
- The recognition that fewer students with disabilities apply for academic courses at South West College. South West College therefore recognises its responsibilities to encourage an increase in the proportions of students with disabilities who apply and are admitted to South West College, which is more reflective of the proportion of people with disabilities in the community.

The South West College recognises its obligations under the Disability Discrimination Act (DDA) 1995, Special Educational Needs Disability Discrimination (Northern Ireland) Order 2005 and its statutory obligations not to discriminate against any existing employees and students and to make reasonable adjustments to seek to overcome any arrangements or physical features that make it difficult to access employment and learning.

### Reform to Save – VSS (Audited)

Exit Package Cost Band	Number of Voluntary Redundancies
< £10,000	1
£10,000 - £25,000	4
£25,000 - £50,000	4
£50,000 - £100,000	19
£100,000 - £150,000	7
£150,000 – £200,000	-
Total Number of Exit Packages	35
Total Resource Cost	£2.5M

Redundancy costs have been paid in accordance with the provisions of the Reform to Save scheme. The table above shows the total cost of the exit packages agreed and accounted for in 2023-24. All staff departures in relation to the scheme were made by 31<sup>st</sup> July 2024. Staff leavers who were part of the NILGOSC pension scheme and who were in the age range of 50 and above have had their employers pension contribution paid up to their statutory retirement date.

Accounting Officer: 

Date: 16 December 2024

## Statement of the Responsibilities of the Accounting Officer and Governing Body for the Year Ended 31 July 2024

Under the Further Education (NI) Order 1997, DfE (with approval from Department of Finance (DoF)), has directed the Governing Body to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South West College and of its income and expenditure, Statement of Financial Position and cash flows for the financial year.

In preparing the financial statements the Accounting Officer on behalf of the Governing Body is required to:

- observe the Accounts Direction issued by the Department for the Economy, with the approval of the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Governing Body is also required to prepare an Annual Strategic 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 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.

In addition, the Governing Body is responsible for securing the efficient and effective management of the College and ensuring that the College provides suitable and efficient further education.

The Accounting Officer of the Department for the Economy has designated the Principal and Chief Executive as the Accounting Officer of the College. The responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the College's assets, are set out in Managing Public Money Northern Ireland (MPMNI) published by Department of Finance.

The Accounting Officer, on behalf of the Governing Body, has taken all the steps they ought to have taken to make herself aware of any relevant audit information and to establish that South West College's auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware.

# Statement of Corporate Governance and Internal Controls for the Year Ended 31 July 2024

## Introduction

This Governance Statement sets out the governance structures, risk management systems and internal control procedures that operated within South West College during the financial year ended 31 July 2024 and up to the date of approval of the Annual Report & Financial Statements.

It has been prepared in accordance with guidance issued by the Department of Finance and contained within Annex 3.1 of the Managing Public Money in Northern Ireland document and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

## Scope of Responsibility

As Accounting Officer of South West College, I am responsible for maintaining a sound system of risk management and internal control that supports the achievement of the South West College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me in the Managing Public Money Northern Ireland document and the Partnership Agreement between the Department of the Economy (DfE) and South West College.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that South West College's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

## South West College Governance Framework

South West College is a Non-Departmental Public Body within the budgetary responsibility of DfE and is an incorporated body established under the Further Education (Northern Ireland) Order 1997. South West College operates within a strong framework of regulation and has in place Articles of Government and an Instrument of Government, which establish the governance framework, as well as a Partnership Agreement with DfE, which sets out the financial framework within which South West College is required to operate. Further information on the key elements of the governance structure is provided below.

## Compliance with the Corporate Governance Code

During 2023/24, South West College complied with the principles and supporting provisions set out in the Corporate Governance Code.

## Governing Body

The Governing Body is established in accordance with the Further Education (Northern Ireland) Order 1997 which provides the statutory basis for further education in Northern Ireland.

The Governing Body is subject to an Instrument and Articles of Government, a Partnership Agreement and other regulatory requirements. The purpose of corporate governance in further education is to ensure that the systems by which colleges are directed and controlled are operating effectively.

During 2023/24 South West College's Governing Body comprised a Chair appointed by DfE, members appointed by DfE under the public appointments process, members co-opted by the Governing Body, members elected by staff and students of the South West College and South West College's Principal and Chief Executive. Eligible governors receive remuneration for their attendance at meetings and other eligible events associated with their role as governors in line with DfE guidance on the remuneration of Governing Body members and chairs.

The role of the Chair of the Governing Body is separate and distinct from the role of the Principal and Chief Executive who is South West College's designated Accounting Officer. The Governing Body is responsible for the ongoing strategic direction of South West College whilst the Principal and Chief Executive and the Management Team are responsible for the operational management of South West College. The Governing Body provides and exercises both a support and challenge function in respect of the Principal and Chief Executive and Management Team. The Governing Body approves all major developments and receives regular reports on South West College's activities.

Governing Body members bring independence, objectivity, impartiality and expertise to both the decision making and challenge processes within South West College. There is an appropriate balance of skills, experience and knowledge to enable the Governing Body to discharge its duties effectively.

Information presented to the Governing Body, and all sub-committees, is drafted by the appropriate department and proceeds through the necessary internal clearance procedures before being presented as formal agendas, papers, and reports to the Governing Body. This ensures that a high quality of reliable and up-to-date information is presented for the Governing Body's consideration. The Governing Body is satisfied with the quality and reliability of the information presented during 2023/24.

## Governing Body Performance and Effectiveness

The Governing Body completed DfE's assessment exercise (as per FE Circular FE 06/12) which incorporates three stands: members' assessment, Chair's assessment, and Governing Body self-assessment.

The strand which focuses on the Governing Body is administered by DfE through completion of a questionnaire which covers five themes: Personal Performance, Governing Body Performance, Governing Body Procedures and Composition, Governing Body Committees, and Training and Induction.

The results, issued by DfE provide the Governing Body with an opportunity to reflect on how it operates, as well as providing a benchmark against levels of performance in the NI FE sector. An analysis report of the results of the 2023/24 Governing Body self-assessment exercise has been received and reviewed by the Governing Body. It was noted that for all themes the views expressed were more positive than in 2022/23 and that perception was above or equal to that across the sector for four themes. See summary below:

Theme	SWC respondents 2023/24	SWC respondents 2022/23	Sector 2023/24
Personal Performance	98.3%	97.9%	99.2%
GB Performance	99.2%	99.0%	99.1%
GB Procedures & Composition	99.1%	92.3%	98.2%
GB Committees	98.8%	92.3%	98.8%
Training & Induction	98.4%	92.3%	96.3%

The Governing Body met six times during the 2023/24 year. Formal agendas, papers and reports are supplied to governors in a timely manner to facilitate appropriate review and scrutiny. Minutes of meetings are approved by the Governing Body and are then published on the College's website and made available from the Secretary to the Governing Body.

A schedule of governor attendance at Governing Body and standing committees for the 2023/24 year is provided in the table below. The average attendance at Governing Body meetings was 93.8% whilst the average attendance at Governing Body and committee meetings during the year was 91.8%.

In conclusion, the Governing Body and Committees of South West College met regularly and conducted business effectively during 2023/24.



	No. of meetings attended/eligible to attend:					% Attendance
	Governing Body	Audit & Risk Committee	Curriculum & Quality Assurance Committee	Finance & General Purposes Committee	Staffing Committee	
Libby Armstrong	6/6	4/6				83
Michael Barnett	5/5			4/4		100
Siobhan Breen	2/2	2/2	1/1			100
Deborah Brown	3/3		2/2	2/2		100
Maureen Brunt	6/6		4/4	4/4		100
Alana Jones Campbell	6/6	6/6			4/4	100
Frances Campbell	6/6		3/4			90
Tom Corr	4/4	4/4	2/3			91
Maria Curran	5/6	4/6				75
Maria Hackett	4/6	4/4				80
Diarmuid Hanna	4/4		1/3			71
Jack Daly	1/1					100
Brian Ingram	5/6	6/6			4/4	94
Sandra Isherwood	5/6		4/4		4/4	93
Celine McCartan	6/6	6/6	4/4	4/4	4/4	100
Anne McCleary	5/6		4/4		4/4	93
Gillian McDowell	5/6				4/4	90
Nicholas O'Shiel	6/6			2/2		100
Lynsey Quinn	6/6	3/4	3/4			86
<b>Overall Attendance</b>						90.87

**Table 12 Governor Attendance at Governing Body and Standing Committee Meetings 2023/24**

The Governing Body is supported by four standing committees; an Audit & Risk Committee, a Curriculum & Quality Assurance Committee, a Finance & General Purposes Committee and a Staffing Committee. These committees are formally constituted with approved terms of reference and comprise members of the Governing Body.

### Audit & Risk Committee

South West College's Audit & Risk Committee operates in accordance with the Department of Finance's Audit and Risk Committee Handbook (NI).

It is responsible for scrutinising the effectiveness of the South West College's accounting procedures, risk management arrangements and systems of internal control and provides a channel of communication from South West College's auditors, which is independent of South West College management. It promotes a climate of robust financial discipline and control and must satisfy itself that adequate arrangements are in place to promote economy, efficiency and

effectiveness.

The Audit & Risk Committee has formally agreed terms of reference which are reviewed on an annual basis.

Membership of the Committee comprises at least four members appointed by the Governing Body. At least one member is required to have recent and relevant experience in finance, accounting or auditing and Mr Patrick McKeown was co-opted to the Committee in the 2023/24 year to bring this experience.

Meetings are held at least four times per year and are attended by representatives of internal and external audit as well as by a DfE representative. The Committee holds independent meetings with the auditors in advance of each scheduled meeting which provides an opportunity for discussions between the parties where executive officers are not present. The Principal and Chief Executive, Director of Corporate Services, Risk & Compliance Officer and Head of Finance & Governance reported to committee meetings in 2023/24. The Committee invites other South West College personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion. Whilst executive officers and other officials attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee.

The Chair of the Audit & Risk Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met six times during the 2023/24 year, during which it reviewed reports from the external and internal auditors and associated management responses as well as South West College's Annual Report and Financial Statements to ensure compliance with legislation and accounting standards. It also reviewed corporate and departmental risk registers, assurance statements to DfE and policy developments. It received reports on Fraud, Raising a Concern, Complaints & Compliments, Procurement, Freedom of Information, Data Security and Direct Award Contracts. It also received presentations on deep dives undertaken of key risks.

The Audit & Risk Committee undertakes an annual review of its effectiveness, in line with best practice issued by the National Audit Office. The review undertaken for 2023/24 demonstrated that the Audit & Risk Committee has been effective in ensuring that South West College had adopted appropriate risk management procedures during the 2023/24 academic year and has functioned in accordance with accounting and auditing standards as well as good governance standards. This review informs the Annual Report of the Committee to the Governing Body which is prepared in accordance with the format provided in the Audit and Risk Assurance Committee Handbook.

## Curriculum & Quality Assurance Committee

The Curriculum & Quality Assurance Committee is responsible for overseeing the curricular provision of South West College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community that the College seeks to serve. It contributes to the development of strategic objectives, through the College Development Planning process, for meeting local and regional education and skills needs in accordance with DfE objectives and targets. It also contributes to the setting of curriculum governance key performance indicators with a particular emphasis on student recruitment, retention and achievement. Performance against the Annual Operating Plan and associated report card targets is monitored on an ongoing basis. The Committee also monitors the standard of education provision by reviewing the whole college self-evaluation and quality improvement plans, Education and Training Inspectorate reports and other internal monitoring and external inspection reports. Committee members offer guidance and support to encourage, promote and facilitate the development of strategic partnerships which are beneficial to the development of South West College and help to identify models of best practice locally, nationally and internationally in the provision of further and higher education and training.

The Curriculum & Quality Assurance Committee has formally agreed Terms of Reference, which are reviewed on an annual basis.

Membership of the Committee comprises at least seven members of the Governing Body including the Principal and Chief Executive, the academic staff member and the student member. The Director of Curriculum reported to committee meetings in 2023/24. The Committee invites other South West College personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion.

The Chair of the Curriculum & Quality Assurance Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met four times during the 2023/24 academic year. During these meetings the Committee received reports on the College Development Plan, Curriculum Developments, Quality Assurance, the Student Experience, Safeguarding, Business Development Activity, Social Inclusion and Strategic Partnerships. It also maintained focus on matters identified as being strategically important to the Committee.

The Curriculum & Quality Assurance Committee undertakes an annual review of its effectiveness. The review undertaken for 2023/24 demonstrated that the Committee had been effective in discharging its responsibilities in line with its Terms of Reference and the Annual Programme of Business agreed at the beginning of the year.

## Finance & General Purposes Committee

The Finance & General Purposes Committee is responsible for overseeing matters relating to South West College's finances, accounts and estates. It develops and monitors financial and estates strategy and policy to underpin the College Development Plan and advises the Governing Body on budgetary management, financial projections and reporting, treasury management, credit control and debt management, student finances and estates matters. The Committee Chair reviews the draft Annual Report and Financial Statements prior to their submission to the Audit & Risk Committee and the Governing Body.

The Finance & General Purposes Committee has formally agreed Terms of Reference, which are reviewed on an annual basis.

Membership of the Committee comprises at least five members of the Governing Body including the Principal and Chief Executive. At least two members are from the business and industry category and at least one member has recent and relevant experience in accounting and finance. The Director of Corporate Services and Head of Finance & Governance reported to committee meetings in 2023/24. The Committee invites other college personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion.

The Chair of the Finance & General Purposes Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met four times during the 2023/24 year during which it reviewed the Annual Report & Financial Statements, Financial Management Reports, Financial Returns to DfE, Capital Funding, Fixed Assets & Capital Expenditure, Estates Issues, Sustainability, Financial Projections, Budgetary Management Processes, Student Finance Matters, Investments, Insurances, Pensions, Provisions and Liabilities, Debtors & Creditors Reports, Externally Funded Projects, IT Matters, Financial and Estates Policies, Consultancy Expenditure Reports and Treasury Management Matters. It also maintained focus on matters identified as being strategically important to the Committee.

The Finance & General Purposes Committee undertakes an annual review of its effectiveness. The review undertaken for 2023/24 demonstrated that Committee had been effective in discharging its responsibilities in line with its Terms of Reference and the Annual Programme of Business agreed at the beginning of the year.

## Staffing Committee

The Staffing Committee is responsible for overseeing matters relating to staffing requirements and the recruitment, appointment, promotion and grading of all staff, other than senior staff as defined within the Articles of Government. It develops and monitors human resources, workforce

development, equality and health, safety & wellbeing policy and strategy which underpins South West College's strategic objectives for people and organisation development.

The Staffing Committee has formally agreed Terms of Reference, which are reviewed on an annual basis.

Membership of the Committee comprises at least five members of the Governing Body including the Principal and Chief Executive. The Director of Corporate Services and Head of People & Culture reported to committee meetings in 2023/24. The Committee invites other South West College personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion.

The Chair of the Staffing Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met four times during the 2023/24 academic year. During these meetings the Committee received reports on Health, Safety & Wellbeing, Equality, Staff Resources, Workforce Planning & Development, Absence Management, Employee Relations, Sectoral Issues, Organisational Structure, Threshold Payment Applications, Remuneration and human resources related policies. It also received updates on matters identified as being strategically important to the Committee.

The Staffing Committee undertakes an annual review of its effectiveness. The review undertaken for 2023/24 demonstrated that the Committee had been effective in discharging its responsibilities in line with its Terms of Reference and the Annual Programme of Business agreed at the beginning of the year.

### **Senior Management Team**

A meeting framework has been established in order to ensure that key strategic and operational objectives are delivered as per the College Development Plan.

The key meetings are as follows:

Strategic Leadership Team (SLT) – purpose is to provide strategic leadership for the College on all relevant issues. Attendees are the Principal & Chief Executive and the three senior Directors. The SLT meets ten times per annum. The SLT reports to the Governing Body.

Management Operations Team (MOT) – purpose is to ensure effective operations of all College activities and services. Attendees are the Principal & Chief Executive, the three senior Directors and other relevant Heads of Department. The MOT reports to the SLT. MOT meets ten times per annum.

In addition, the following meetings are held at regular intervals during the year:

- Governance Team;
- College Health, Safety and Wellbeing;
- Campus Health, Safety and Wellbeing;
- Trade Unions;
- Development & Support Directorate;
- Corporate Services Directorate;
- Curriculum Directorate;
- Higher Education Academic Board;
- Quality Assurance

The Governing Body is satisfied with the quality and content of the curriculum, financial, staffing and risk information provided through this meetings framework to the various Governing Body sub-committees. The information provided enables the Governing Body to exercise strategic and operational oversight on South West College by means of clear lines of accountability.

These arrangements have been reviewed and updated for 2024/25.

### **Management of Interests**

The Secretary to the Governing Body compiles a register of financial and personal interests of Governing Body members annually. This is presented to the Governing Body at its first meeting of the academic year and members are invited to declare any subsequent amendments to be made to this register. In accordance with good governance, the declaration of any conflicts of interest is included as an agenda item at each and every Governing Body and committee meeting and members are requested to declare any actual, potential, or perceived conflict of interest and withdraw from the meeting during consideration of the subject matter in which the interest has been declared.

The Register of Governors' Interests are available for inspection from the Secretary to the Governing Body and is presented on pages 95-101 of this report.

### **Risk Management and Internal Control**

The system of internal control within the South West College 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 South West College's 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.

South West College is committed to a risk management strategy which is aimed at assisting us to

deliver our objectives, whilst protecting the interests of stakeholders. We have well established risk management, control and governance arrangements. South West College's Risk Management Policy & Strategy sets out the South West College's framework for risk control and risk appetite. South West College recognises that risks also have the potential to impede the achievement of strategic and operational objectives. South West College employs risk management strategies which aim to prioritise risks and decision-making processes to minimise the adverse effects of risks. South West College recognises that risk management is not about eliminating risk, but rather involves thought out strategy formulation, proactive controls/measures and business continuity planning to minimise the impact of any risk.

As part of our risk management process, risk registers have been developed for key areas within South West College. A Governance Committee has been established and the purpose of this Committee is to ensure that governance arrangements operate effectively in all areas of the College. The Committee met three times in 2023/24 and is attended by senior managers and key personnel. Risk Management is monitored regularly, and high level risks reported at the Committee meeting and also to the Audit and Risk Committee of the Governing Body. The main overall corporate risks formulate the basis of the quarterly risk register review report which is discussed and updated at the Risk and Compliance Committee meetings and provided to the Audit and Risk Committee. The effectiveness of the system of internal controls in place is reviewed at least annually.

The Corporate Risk register is not a static document with risks being added, reviewed and assessed regularly throughout the year. In April 2024, following a review by risk owners, the corporate risk register was presented to the Audit and Risk Committee, with ten main risks (7 red, 2 amber, 1 green).

The main red risks which faced the College in April 2024 and continue to do so in the current academic year were:

1. Failure to operate within budget mainly due to ongoing stringent public sector budgets and concerns over the continued operational uncertainty relating to future year budgets.
2. Failure to prevent a cyber attack. Although the College have mitigating measures in place to prevent successful cyber attacks, this risk remains high to FE Colleges as attacks are becoming increasingly sophisticated with the use of emerging artificial intelligence technologies.

Of the two risks identified above as red risks, only the budget risk remains red, although slightly reduced, despite mitigations in place. The remaining red risks as of April 2024 were all managed to amber or green status.

There are five red risks which are on the risk register, and which will remain because of their nature as follows: inability to meet the terms of the College's contract with learners and DfE, failure to provide a safe and healthy environment, student mental health and safeguarding, failure

to meet recruitment, retention and achievement targets, and failure to recruit and retain suitably qualified staff. The risks are red but being managed to amber or yellow status.

The remaining three risks were amber or green in April 2024.

The Corporate Risk Register in October 2024 identifies the same risks as identified in April although in some cases there are changes to the assessed scores. A new red risk has been added which is related to changes in funding streams with different operational requirements and eligibility criteria.

The security of personal data is of utmost importance to South West College. Acceptable use is part of all staff induction. Staff also undertake training in the form of a mandatory online module on Data Protection. There have been no personal data related incidents during 2023/24. An IT Disaster Recovery Policy and Plan is in place; as are technical safeguards and procedures to protect the security of information and cyber risks.

The South West College has developed a Governance and Risk Framework which details key elements in terms of structures, policies, processes and reporting that contributes to effective governance and risk management in South West College.

In the coming year, the South West College plans to:

- regularly review and update the record of risks facing the organisation;
- maintain the system of key performance and risk indicators;
- maintain the organisation-wide risk register; and
- arrange for regular reports from the risk owners on risk management and internal control activities.

The South West College has an internal audit service, the work of which concentrates on activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Governing Body. The internal auditors report to the Accounting Officer and to the Audit & Risk Committee on a regular basis and have direct access to the Governing Body and to the Chair of the Audit & Risk Committee. The Head of Internal Audit has issued an Assurance Statement to me which provides his opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

During the 2023/24 year, Internal Audit carried out the following audits in South West College. The assurance rating by area reviewed is set out below:



Key Process	Assurance Rating
Safeguarding	Satisfactory
Health and Safety	Satisfactory
Part Time Lecturer Payments	Satisfactory
TAMS Manual Processes	Satisfactory
Quality Management Process	Satisfactory

**Table 13 South West College Audits 2023/24**

In their Annual Assurance Statement, the Internal Auditors have provided an overall ‘Satisfactory’ level of assurance over the control environment of South West College.

The Internal Auditors raised three ‘medium’ and fifteen ‘low’ priority issues across the five assurance reviews.

In the follow up review the Internal Auditors selected nine management actions (one ‘medium’, eight ‘low’) and concluded that eight of the actions had been fully implemented, with the remaining ‘low’ priority action partially implemented.

The factors which are considered when influencing the audit opinion are:

- Inherent risk in the area being audited;
- Limitations in the individual audit assignments;
- The adequacy and effectiveness of the risk management and/or governance control framework;
- The impact of weakness identified;
- The level of risk exposure; and
- The response to management actions raised and timeliness of actions taken.

## Fraud Reporting

South West College has a detailed Anti-Fraud and Corruption Policy and Fraud Response Plan which are revised and updated on a regular basis. The Anti-Fraud and Corruption Policy and Fraud Response Plan sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. In addition, all staff are required to complete an online module on-Fraud, Bribery and Corruption. A Fraud Risk Assessment has been carried out, reviewed regularly and shared with the Department for the Economy and the Audit and Risk Committee. No cases of fraud were reported in the 2023/24 year.

## Pay Remit

South West College is required to comply each year with Department of Finance (DoF) guidance on the approval of pay remits.

There had been a pay dispute ongoing during the 2023/24 year with the academic trade unions in respect of pay and conditions of academic staff. In April 2024 an improved pay deal for academic staff was accepted by the trade unions.

## Prior Year Restatements

### Pension Surplus

At 31 July 2023, a net pension asset of £3,385k was recognised in respect of the NILGOSC pension scheme, calculated as the difference between the fair value of the assets held in the defined benefit scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method. The College's actuary considered IFRIC 14 and recommended that the asset ceiling (i.e. the maximum surplus which should be recognised) should be set to equal the present value of the future service cost over a prescribed period, using the accounting assumptions at the measurement date.

In November 2023, the Chartered Institute of Public Finance & Accountancy issued "CIPFA Bulletin 15 – Reporting of pensions surpluses and IFRIC 14". In this, the CIPFA concluded that the requirements of the Local Government Pension Scheme Regulations could be interpreted such that a minimum funding requirement applies to Local Government Pension Schemes.

As such, the College actuary now considers that any pension accounting surplus is to be recognised on the Statement of Financial Position is to be restricted to the present value of future service costs less the present value of the minimum funding requirement contributions for future service (i.e. the asset ceiling should be set at this level).

At 31 July 2023, the future service cost was between 19% and 20% of the College, which is broadly in line with the minimum NILGOSC funding requirement contributions of 19.8%. As such, the present value of future service costs less the present value of the minimum funding requirement contributions is less than zero and the actuary has recommended that the asset ceiling is set equal to zero.

The accounts have been restated to incorporate the impact of the latest actuarial advice.

### Action

Going forward, College Management will ensure they have a good knowledge and understanding of the pension calculations provided by the actuary and review and challenge the calculations and

assumptions that support the valuations provided.

### **Private Finance Initiative**

The College has recorded a prior year adjustment to restate the 2023 comparatives. An adjustment of £1,395k has been made to reflect the correct obligations under finance leases in respect of PFI balance and unrestricted income and expenditure account at 1 August 2022 and 31 July 2023. The variance is a result of a 2019 re-model of the PFI projects. Assumptions made within the re-model workings in 2019 profiled a higher finance lease cost paid at 31 July 2019 compared to that per College records. As such, the College continued to recognise the actual finance lease cost paid per its records. This resulted in obligations under finance leases in the accounts being £1,395k higher than the profile per the model.

### **Action**

College Management will perform an annual reconciliation of the figures in the PFI model to the figures included in the draft accounts. If there are subsequent changes to the PFI model, then these should be challenged, and subsequent accounting treatment should be aligned to the costs and balances per the revised model.

### **Internal Control**

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the South West College's aims and objectives, while safeguarding public funds and South West College assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The Annual Opinion and Report, provided by the Internal Audit function, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement. The Internal Audit Function operates in accordance with HM Treasury's Public Sector Internal Audit Standards.

The Audit & Risk Committee set an audit strategy and work plan for the financial year 2023/24 which was carried out by RSM Northern Ireland (UK) Limited, who provide the internal audit function for the sector. For the period 2023/24, RSM has reported an overall "satisfactory" audit opinion on South West College's system of governance, risk management and internal control.

### **Assurance Summary**

South West College aims to adhere to the highest standards of governance when conducting its business, to ensure that the organisation is run effectively and that decisions are taken in the best interest of its stakeholders.

Accounting Officer:

Celine McCarlan

Date:

16 December 2024

## Assembly Accountability Disclosure for the Year Ended 31 July 2024

### Introduction

The Assembly Accountability Report brings together the key Assembly accountability documents within the annual report and accounts.

### Losses (subject to audit)

The College is required by Managing Public Money NI (MPMNI) to provide a losses statement where total losses exceed £300,000.

The College did not incur losses exceeding £300,000.

Losses are disclosed in Note 25.

### Special Payments (subject to audit)

The College is required by MPMNI to provide a special payments statement where total losses exceed £300,000.

The College did not incur losses exceeding £300,000.

Special payments are disclosed in Note 25.

### Remote Contingent Liabilities (subject to audit)

Remote Contingent Liabilities are not required to be disclosed under Financial Reporting Standard in the UK and Republic of Ireland (FRS 102, Section 21), since the possibility of any outflow of resources in settlement is remote.

Remote Contingent Liabilities are included in this report for Assembly accountability purposes.

There are no remote contingent liabilities that require disclosure at 31 July 2024.

## Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly

### Opinion on financial statements

I certify that I have audited the financial statements of South West College for the year ended 31<sup>st</sup> July 2024 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes including 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).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of South West College's affairs as at 31<sup>st</sup> July 2024 and of its deficit for the year then ended;
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

### Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of South West College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

### Emphasis of Matter

#### Pension Surplus

During my audit of the 2023-24 financial statements, South West College obtained revised actuarial valuations which showed that the pension asset disclosed in the 2022-23 financial statements had been overstated by £3.385million. I draw attention to Note 28 of the financial statements, which describes a

## Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

prior period adjustment relating to this matter. My opinion is not modified in respect of this matter.

### Obligations under finance leases in respect of PFI contracts

As part of my audit of the 2022-23 financial statements, I recommended that the College review its PFI contract calculations. As a result, during my audit of the 2023-24 financial statements, South West College revised its calculations in respect of PFI contracts. This has resulted in obligations under finance leases being overstated by £1,395k in the financial statements each consecutive year since the 2018-19 financial statements. I draw attention to Note 28 of the financial statements, which describes a prior period adjustment relating to this matter. My opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

In auditing the financial statements, I have concluded that South West College's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on South West 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.

The going concern basis of accounting for South West College is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer and Governing Body with respect to going concern are described in the relevant sections of this certificate.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration Report described in that report as having been audited and my audit certificate and report thereon. The Accounting Officer and Governing Body are responsible for the other information reported in the annual report. My opinion on financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

## Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

I have nothing to report in this regard.

### Opinion on other matters

In the light of the knowledge and understanding of South West College and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report, Remuneration and Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body, and Statement of Corporate Governance and Internal Control.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- the information given in the Strategic Report, Remuneration and Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body, and Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement of Corporate Governance and Internal Control does not reflect compliance with the Department of Finance's guidance.

### Responsibilities of the Accounting Officer and Governing Body

As explained more fully in the Statement of Responsibilities of the Accounting Officer and Governing Body, the Accounting Officer and Governing Body are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring the annual report, which includes the Remunerations and Staff Report, is prepared in accordance with the applicable financial reporting framework;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing South West 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 Accounting Officer anticipates that the services provided by South West College will not continue to be provided in the future.



## Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

### Auditor's responsibilities for the audit of the financial statements

My objectives are to audit, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

My 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 a certificate that includes my 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 these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to South West College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008;
- making enquires of management and those charged with governance on South West College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of South West College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement

## Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;

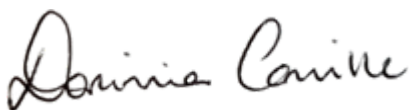
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias;
  - investigating significant or unusual transactions made outside of the normal course of business; and
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Report

I have no observations to make on these financial statements.



*Dorinnia Carville*  
*Comptroller and Auditor General*  
*Northern Ireland Audit Office*  
*106 University Street*  
*BELFAST*  
*BT7 1EU*

*19 December 2024*

## South West College

### Statement of Comprehensive Income and Expenditure for the Year Ended 31 July 2024

	Note	2024 £'000	2023 Restated £'000
<b>Income</b>			
Department for the Economy Income	1	39,589	41,885
Education Contracts	2	5,279	4,169
Tuition Fees and Charges	3	1,984	1,891
Other Grant Income	4	1,332	1,453
Other Operating Income	5	796	1,236
Investment Income	6	187	94
<b>Total Income</b>		<b>49,167</b>	<b>50,728</b>
<b>Expenditure</b>			
Staff costs	7	28,591	28,965
Other operating expenses	9	13,925	15,549
Interest and other finance costs	10	2,682	3,015
Depreciation	12 & 13	6,159	5,876
<b>Total expenditure before exceptional items</b>		<b>51,357</b>	<b>53,405</b>
<b>Deficit on continuing operations after depreciation of assets at valuation and before tax and before exceptional items</b>		<b>(2,190)</b>	<b>(2,677)</b>
<b>Exceptional items</b>			
Exceptional costs - staff	7	(2,506)	-
Exceptional gain – non staff	9	604	459
Exceptional gain – profits on sale of asset	12	7	815
<b>Deficit before tax</b>		<b>(4,085)</b>	<b>(1,403)</b>
Taxation		-	-
<b>Deficit on continuing operations after depreciation of assets at valuation and tax</b>		<b>(4,085)</b>	<b>(1,403)</b>
<b>Unrealised surplus on revaluation of land and buildings</b>		<b>3,966</b>	<b>13,447</b>
Actuarial gain/(loss) in respect of pension scheme		(109)	7,954
<b>Total comprehensive income/(expense) for the year</b>		<b>(228)</b>	<b>19,998</b>
<b>Represented by:</b>			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income/(expense) for the year		(228)	19,998
		<b>(228)</b>	<b>19,998</b>

All amounts above relate to the continuing operations of South West College.

## South West College

### Statement of Changes in Reserves for the Year Ended 31 July 2024

*The accompanying accounting policies and notes form an integral part of these financial statements.*

	Income and Expenditure Account		Revaluation Reserve	Total Reserves
	Restricted £'000	Unrestricted £'000	£'000	£'000
<b>Balance at 1 August 2022 (as originally reported)</b>	-	<b>(4,611)</b>	<b>80,451</b>	<b>75,840</b>
Prior Period Adjustment - PFI		1,395	-	1,395
<b>Balance at 1 August 2022 (restated)</b>		<b>(3,216)</b>	<b>80,451</b>	<b>77,235</b>
Deficit from income and expenditure statement	-	(1,403)	-	(1,403)
Prior Period Adjustment - Pension	-	(3,434)	-	(3,434)
Other comprehensive income	-	11,388	13,447	24,835
Transfers between revaluation and income and expenditure account	-	1,946	(1,946)	-
<b>Total comprehensive income for the year</b>	-	<b>8,497</b>	<b>11,501</b>	<b>19,998</b>
<b>Balance at 31 July 2023 (restated)</b>	-	<b>5,281</b>	<b>91,952</b>	<b>97,233</b>
<b>Balance at 1 August 2023 (restated)</b>	-	<b>5,281</b>	<b>91,952</b>	<b>97,233</b>
Deficit from income and expenditure statement	-	(4,085)	-	(4,085)
Other comprehensive income	-	(109)	3,966	3,857
Transfers between revaluation and income and expenditure account	-	2,252	(2,252)	-
<b>Total comprehensive (expense)/income for the year</b>	-	<b>(1,942)</b>	<b>1,714</b>	<b>(228)</b>
<b>Balance at 31 July 2024</b>	-	<b>3,339</b>	<b>93,666</b>	<b>97,005</b>

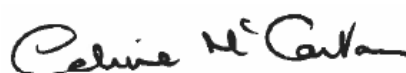
**South West College**  
**Statement of Financial Position for the Year Ended 31 July 2024**

	Note	2024 £'000	2023 Restated £'000	2022 Restated £'000
<b>Non Current assets</b>				
Tangible Assets	12	161,211	162,609	153,920
Intangible Asset	13	174	251	328
Pension Assets	20	-	-	-
<b>Total Non Current assets</b>		<b>161,385</b>	<b>162,860</b>	<b>154,248</b>
<b>Current assets</b>				
Trade and other receivables	15	4,010	6,556	4,402
Cash at bank and in hand	19	3,349	3,859	4,020
<b>Total current assets</b>		<b>7,359</b>	<b>10,415</b>	<b>8,422</b>
Less: Creditors – amounts falling due within one year	16	(9,445)	(10,734)	(9,939)
<b>Net current assets</b>		<b>(2,086)</b>	<b>(319)</b>	<b>(1,517)</b>
<b>Total assets less current liabilities</b>		<b>159,299</b>	<b>162,541</b>	<b>152,731</b>
Less: Creditors – amounts falling due after more than one year	17	(61,949)	(64,965)	(68,139)
<b>Provisions:</b>				
Other provisions	18	(299)	(294)	(294)
Pension provision	20	(46)	(49)	(7,063)
<b>Net assets including pension liability</b>		<b>97,005</b>	<b>97,233</b>	<b>77,235</b>
<b>Unrestricted Reserves</b>				
General reserve		3,339	5,281	(3,216)
Revaluation reserve		93,666	91,952	80,451
<b>Total reserves</b>		<b>97,005</b>	<b>97,233</b>	<b>77,235</b>
<b>TOTAL</b>		<b>97,005</b>	<b>97,233</b>	<b>77,235</b>

The financial statements on pages 63 to 108 were approved by the Governing Body of the South West College on 16 December 2024 and were signed on its behalf by:



**Nicholas O'Shiel**  
**Chairman of Governing Body**  
**South West College**



**Celine McCartan**  
**Accounting Officer**  
**South West College**

**South West College**  
**Statement of Cashflows for the Year Ended 31 July 2024**

	Note	2024 £'000	2023 £'000
<b>Cash outflow from operating activities</b>			
Deficit for the year		(4,085)	(1,403)
<b>Adjustment for non-cash items</b>			
Depreciation	12 & 13	6,159	5,876
Increase/(Decrease) in debtors	15	2,546	(2,154)
Increase/(Decrease) in creditors	16 & 17	(1,145)	651
Pension cost	20	(114)	677
(Decrease)/Increase in other provisions	18	5	-
Investment Income	6	(187)	(94)
Capital grants released to income		(3,092)	(3,045)
Profits on asset disposal	12	(7)	(815)
<b>Net cash inflow from operating activities</b>		<b>80</b>	<b>(307)</b>
<b>Cash flows from investing activities</b>			
Capital grants received		1,452	1,334
Payments made to acquire fixed assets	12	(718)	(1,931)
Proceeds from disposal of asset	12	7	1,705
Investment Income	6	187	94
		<b>928</b>	<b>1,202</b>
<b>Cash inflows from financing activities</b>			
Pension finance cost/income	10	2	263
Capital element of service concession payments	16	(1,520)	(1,319)
		<b>(1,518)</b>	<b>(1,056)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>	19	<b>(510)</b>	<b>(161)</b>
Net funds at 1 August		3,859	4,020
<b>Net funds at 31 July</b>		<b>3,349</b>	<b>3,859</b>

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to South West College.

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024

*The accompanying accounting policies and notes form an integral part of these financial statements*

### Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### Critical accounting judgements and estimates

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). South West College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS 102. It also requires management to exercise its judgement in the process of applying the South West College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

#### Pension Liability

The critical judgements of the pension liability schemes are included in the accounting policy note. The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 20.

#### Property, Plant and Equipment

The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT as advised by LPS. All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value. A change in depreciable life is treated as a change in accounting estimate.

The accounts conform to the Accounts Direction issued by the Department for the Economy (DfE).

#### Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards.

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

### Going concern

The activities of the South West College, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of South West College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying Notes.

South West College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future assembly approval will not be forthcoming to meet the South West College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### Recognition of Income

The recurrent grant and other revenue grants received from DfE (and other government bodies) are recognised in income over the periods in which South West College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

Income from non-government grants, controls and other services rendered is included to the extent that the conditions of the funding have been met, or the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the statement of comprehensive net income in the year in which it is earned.

Non recurrent grants from DfE and other government bodies received in respect of the acquisition of fixed assets are recognised in income over the expected useful life of the asset.

### Pension Scheme

The two principal pension schemes for the South West College's staff are the Northern Ireland Teachers' Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme.



## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. The current regulations under which the scheme operates are the *Teachers' Superannuation Regulations (NI) 1998 (as amended)*. The NITPS is a multi-employer scheme, and the South West College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NILGOSC is a defined benefit scheme which is externally funded and contracted out of the second state Pension Scheme. The Funds are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed on the basis of the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the South West College benefits from the employees' services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

The difference between the fair value of the assets held in the South West College's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the South West College's statement of financial position as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the South West College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

In the financial year ending 31 July 2023, the College moved from a pension liability to a pension asset. This was due to several factors:

- a change in the financial assumptions, specifically higher corporate bond yields leading to an increase in the discount rate assumptions; and
- a change in the demographic assumptions used to calculate the Defined Benefit Obligation (DBO), providing a decrease in the DBO.
- a decrease in the asset value, due to the actual assets in the actuarial valuation for funding purposes as at 31 March 2022 being lower than the asset value estimated for financial year 2021/22 accounting, coupled with lower than assumed returns on the Fund assets over the period; and
- allowance made for updating the starting position of the roll-forward to the results of the 2022 Valuation, which includes a 10% uplift in respect of inflationary experience.

The recognition of a pension surplus per Accounting standard FRS102 (section 28) notes that a pension asset may be restricted if the College cannot benefit from reduced employer contributions in the future. Therefore, the asset ceiling for the annual financial statements for the

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

31<sup>st</sup> July 2024 has been set to zero in the Statement of Financial Position, and the prior year comparative (31<sup>st</sup> July 2023) restated accordingly.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the South West College are charged to the Statement of Comprehensive Net Expenditure.

### Tangible Fixed Assets

#### Land and buildings

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. There is a lack of historical information on the detail of the component parts of the revaluation reserve prior to the College's merger in 2007 and therefore it is not possible to allocate the proportionate historic revaluation reserve balances to individual buildings. The difference between depreciation charged on the historic costs of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis.

Land and buildings acquired since the last valuation are included in the statement of financial position at cost. Freehold land is not depreciated. Freehold buildings and buildings under Private Finance Initiative (PFI) contract are depreciated over their expected useful economic life to the South West College. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

Valuations are obtained on a regular basis, with a full professional valuation being undertaken by Land and Property Services (LPS) every five years, with revaluation using indices provided by LPS in intervening years and an interim valuation being carried out after three years. Land and buildings were subject to an indices based revaluation at 31<sup>st</sup> July 2024.

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

### Assets other than land and buildings

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. Assets other than land and buildings inherited from the Education and Library Board are included in the statement of financial position at valuation. All other assets are capitalised at cost.

These assets are depreciated over their useful economic lives as follows:

Computers:	three years
Motor vehicles:	four years
Plant and equipment:	five years
Fixtures and fittings:	five years

Where these assets are acquired with the aid of specific grants, the asset is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related asset.

### Private Finance Initiative

The South West College has two buildings subject to PFI contracts – at Circular Road, Dungannon and Mountjoy Road, Omagh.

Where it is concluded that the South West College has an asset of the property and therefore a liability to pay for it, these are recorded on the statement of financial position. The initial amount recorded for each is the fair value of the building and accompanying fixtures and fittings and is recognised as an asset in the financial statements, together with a corresponding finance lease obligation.

Subsequently, the asset is depreciated over its useful economic life and is subject to annual revaluation on the same basis as similar asset classes. The unitary payments made under the PFI contracts are allocated between the service and property elements. The elements of the unitary payment relating to services are charged to the Statement of Comprehensive Net Expenditure as incurred. The element of the unitary payment relating to property is credited against the finance lease obligation. A notional interest charge is imputed in relation to the outstanding liability on the basis that this charge is a constant percentage of the outstanding lease obligation. This notional interest is recorded against the loan and is also charged against the Statement of Comprehensive Net Expenditure for the year. Under an agreement with DfE, South West College receives an annual contribution to cover the various specified elements of the unitary payment,

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

relating to the property costs.

The effect of this treatment is that in the initial years the charges in relation to depreciation, service provision and imputed interest will be significantly more than the relevant cash flows, with a small amount of the liability being discharged, with the corresponding situation arising in the later years of the 30 year contract.

### Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements which transfer to South West College substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

### Capital Grants (Non Land Grants – accruals model)

Non recurrent grants from DFE and other government bodies received in respect of the acquisition of fixed assets are recognised in income over the expected useful life of the asset.

### Capital Grants

Other capital grants are recognised in income when South West College is entitled to the funds subject to any performance related conditions being met.

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

### Capital grants (Land Grants)

Capital government grants for land are accounted for in accordance with the performance model which results in the recognition of the capital grant in receipt.

### Intangible Assets

Intangible assets, greater than £3,000 per individual item, are capitalised. Software integral to an item of hardware are dealt with as fixed assets.

### Foreign Currency Translation

Transactions 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 the Income and Expenditure Account in the period in which they arise.

### Taxation

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

South West College is exempted from levying VAT on most of the services it provides to students. For this reason, South West College is partially exempt in respect of VAT, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to costs of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

### Liquid Resources

Liquid resources include sums on short-term deposits with recognised banks and building societies.

### Financial Instruments

Financial assets and financial liabilities are recognised when the College become a party to the contractual provisions of the instruments. Financial liabilities are classified according to the substance of the contractual arrangements being entered into. South West College's financial assets and liabilities all meet the criteria for basic financial instruments, prescribed within FRS 102 Section 11.8.

## Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

### Provisions

Provisions are recognised when South West 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.

### Agency Arrangements

The South West College acts as an agent in the collection and payment of Support Funds and adult learning grants (Care to Learn). Related payments of Support Funds received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Net Expenditure and are shown separately in Note 24.

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024

#### 1. DEPARTMENT FOR THE ECONOMY INCOME

	2024 £'000	2023 £'000
<b>Grant in Aid received from DfE</b>		
Recurrent grant	27,316	34,401
Additional Support Funds	232	252
Employer Support Programme (ESP)	375	293
Students with learning difficulties and disabilities (SLDD)	286	240
Release of deferred capital grants	3,030	2,967
Traineeship Income	1,542	744
Skills Focus	265	374
REAP	421	-
Other	92	884
<b>Total Grant In Aid</b>	<b>33,559</b>	<b>40,155</b>
<b>Non-Grant in Aid received from DfE</b>		
Education Maintenance Allowance administration	12	11
STEP UP	1,166	-
Higher Level Apprenticeships	1,565	1,104
Reform to Save	2,268	-
Other	1,019	615
<b>Total Non-Grant In Aid</b>	<b>6,030</b>	<b>1,730</b>
<b>Total DfE income</b>	<b>39,589</b>	<b>41,885</b>

Grant in Aid Other includes £92k Advanced Technicals funding.

#### 2. EDUCATION CONTRACTS

	2024 £'000	2023 £'000
Entitlement framework	480	519
Training Income	4,799	3,650
<b>Total</b>	<b>5,279</b>	<b>4,169</b>

*\*Training income is currently treated as revenue due to the commercial nature of the award of contracts.*

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 3. TUITION FEES AND CHARGES

	2024	2023
	£'000	£'000
Higher Education (HE) income	1,645	1,575
Home and other European Union	339	316
<b>Total</b>	<b>1,984</b>	<b>1,891</b>

Tuition fees funded by bursaries included within the above amounts are £41k (2023: £45k)

#### 4. OTHER GRANT INCOME

	2024	2023
	£'000	£'000
European funds	947	1,298
Other funds	385	155
<b>Total</b>	<b>1,332</b>	<b>1,453</b>

#### 5. OTHER OPERATING INCOME

	2024	2023
	£'000	£'000
Catering and residence operations	230	232
Other income generating activities	149	193
Other income	417	811
<b>Total</b>	<b>796</b>	<b>1,236</b>

#### 6. INVESTMENT INCOME

	2024	2023
	£'000	£'000
Other interest receivable	187	94
<b>Total</b>	<b>187</b>	<b>94</b>



## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 7. STAFF COSTS

The average number of persons (including senior post-holders) employed by the South West College during the year, expressed as full-time equivalents was:

	2024	2023
	No.	No.
Teaching	272	305
Support	123	112
Administration	162	182
Premises	20	21
<b>Total</b>	<b>577</b>	<b>620</b>

#### Staff costs for the above persons

	2024	2023
	£'000	£'000
Governing Body	63	72
Teaching	16,277	16,290
Support	4,088	3,603
Administration	7,422	7,467
Premises	754	768
NILGOSC Pension Past Service Cost	131	7
Apprenticeship Levy	101	88
Non-Teaching Pension charge	(245)	670
	<b>28,591</b>	<b>28,965</b>
Exceptional staff costs - Holiday Pay Provision	5	-
Exceptional staff costs – Reform to Save	2,501	-
	<b>2,506</b>	<b>-</b>
<b>Total</b>	<b>31,097</b>	<b>28,965</b>

	2024	2023
	£'000	£'000
Wages and salaries	21,282	22,508
Social security costs	2,302	1,976
Movement in Pension	(114)	677
Other pension costs	5,121	3,804
	<b>28,591</b>	<b>28,965</b>
Exceptional staff costs - Holiday Pay Provision	5	-
Exceptional staff costs – Redundancy Reform to Save	2,501	-
	<b>2,506</b>	<b>-</b>
<b>Total</b>	<b>31,097</b>	<b>28,965</b>

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### Reform to Save

35 staff were accepted as part of the DFE Reform to Save voluntary redundancy scheme with all staff leaving by 31<sup>st</sup> of July 2024.

#### Remuneration Bandings

The number of senior post-holders and other staff who received emoluments, including pension contributions and benefits in kind, in the following ranges was:

	Senior post-holders		Other staff	
	2024 No.	2023 No.	2024 No.	2023 No.
£60,001 to £70,000	-	-	35	20
£70,001 to £80,000	1	1	14	4
£80,001 to £90,000	-	-	9	5
£90,001 to £100,000	1	1	1	-
£100,001 to £110,000	1	1	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	-	-	-
£130,001 to £140,000	-	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	-	-
	<u>4</u>	<u>4</u>	<u>59</u>	<u>29</u>

**South West College**  
**Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)**

**8. KEY MANAGEMENT PERSONNEL**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of South West College and are represented by South West College Governing Body, the Principal/Chief Executive, the Director of Curriculum, the Director of Corporate Services and the Director of Development and Support.

	<b>2024</b>	<b>2023</b>
	<b>No.</b>	<b>No.</b>
The number of senior post-holders including the Principal/Chief Executive was:	4	4

Please refer to the Remuneration Report for full details of Key Management Personnel.

Senior post-holders' emoluments are made up as follows:

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Salaries	327	178
Pension contributions	72	40
<b>Total emoluments</b>	<b>399</b>	<b>218</b>

The above emoluments include amounts payable to the Principal and Chief Executive the Director of Curriculum, the Director of Corporate Services and the Director of Development and Support of South West College.

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Principal/Chief Executive emoluments are made up as follows:		
Salaries	106	107
	<b>106</b>	<b>107</b>
Pension contributions	20	22
<b>Total</b>	<b>126</b>	<b>129</b>

The above emoluments reflect the amounts paid in total to the holder of the Principal/Chief Executive position during the year ended 31 July 2024.

The pension contributions in respect of the Principal/Chief Executive and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme and the Northern Ireland Local Government Officers' Superannuation Scheme and are paid at the same rate as for other employees.

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 9. OTHER OPERATING EXPENSES

	2024	2023
	£'000	£'000
Direct Teaching	845	1,065
Direct Support	3,680	3,920
Administration	1,857	2,758
Premises	2,511	3,023
Unitary payments under PFI contract	5,032	4,783
	<b>13,925</b>	<b>15,549</b>
Exceptional – PFI Insurance Rebate	<b>(604)</b>	<b>(459)</b>
<b>Total</b>	<b>13,321</b>	<b>15,090</b>

Administration costs include £142k relating to Payments to Project Partners (2022/23 £707k)

#### Other operating expenses include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	40	35
Internal audit		
(of which £19k audit and £5k Risk Management software)	24	36
Hire of other assets – operating leases	84	92

The College has two 30 year PFI agreements in respect of the provision of facilities and associated services at Omagh and Dungannon campuses. The terms of these agreements provide for benchmarking of insurance costs to compare actual costs with costs provided at the outset in the financial model. The exceptional gain of £604k represents the monies owed for the period to 31 July 2024 in respect of a rebate of insurance costs in accordance with the provisions of the contract.

#### 10. INTEREST AND OTHER FINANCE COSTS

	2024	2023
	£'000	£'000
Net charge on pension scheme	2	263
On finance leases	2,680	2,752
<b>Total</b>	<b>2,682</b>	<b>3,015</b>

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 11. TAXATION

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

#### 12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	PFI Assets £'000	Plant and Equipment £'000	Computers £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
<b>Cost or valuation</b>							
At 1 August 2023	78,131	84,139	6,446	6,567	3,786	851	179,920
Additions	14	-	231	279	190	4	718
Revaluation	1,943	2,181	-	-	-	-	4,124
Disposals	-	-	(89)	(61)	(25)	(61) <sup>1</sup>	(236)
<b>At 31 July 2024</b>	<b>80,088</b>	<b>86,320</b>	<b>6,588</b>	<b>6,785</b>	<b>3,951</b>	<b>794</b>	<b>184,526</b>
<b>Depreciation</b>							
At 1 August 2023	1,802	2,192	5,435	4,779	2,290	813	17,311
Charge for the year	1,936	2,363	346	902	516	19	6,082
Revaluation	71	87	-	-	-	-	158
Disposals	-	-	(89)	(61)	(25)	(61)	(236)
<b>At 31 July 2024</b>	<b>3,809</b>	<b>4,642</b>	<b>5,692</b>	<b>5,620</b>	<b>2,781</b>	<b>771</b>	<b>23,315</b>
<b>Net book value at 31 July 2024</b>	<b>76,279</b>	<b>81,678</b>	<b>896</b>	<b>1,165</b>	<b>1,170</b>	<b>23</b>	<b>161,211</b>
Net book value at 31 July 2023	76,329	81,947	1,011	1,788	1,496	38	162,609
<b>Asset Financing</b>							
Owned	76,279	-	896	1,165	1,170	23	79,533
PFI contracts	-	81,678	-	-	-	-	81,678
<b>Net Book Value at 31 July 2024</b>	<b>76,279</b>	<b>81,678</b>	<b>896</b>	<b>1,165</b>	<b>1,170</b>	<b>23</b>	<b>161,211</b>

Note <sup>1</sup> - A college mini bus was disposed of during the year and sold for £7k at auction.

Land and buildings were subject to a full asset revaluation at 31<sup>st</sup> July 2022 on a depreciated replacement cost basis. The revaluation was updated using indices supplied by the Land and Property Service as at 31<sup>st</sup> July 2024. These revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

	2024 £'000	2023 £'000
If land and buildings (including those that were inherited and assets under construction) had not been revalued, they would have been included at the following amounts:		
Cost	29,349	29,349
Aggregate depreciation based on cost	(6,713)	(5,744)
<b>Net book value based on cost</b>	<b>22,636</b>	<b>23,605</b>

All depreciation relates to owned assets, except for £2,363,288 which relates to depreciation on PFI assets.

	2024 £'000	2023 £'000
If PFI assets had not been revalued, they would have been included at the following amounts:		
Cost	43,101	43,101
Aggregate depreciation based on cost	(21,781)	(20,703)
<b>Net book value based on cost</b>	<b>21,320</b>	<b>22,398</b>

### 13. INTANGIBLE FIXED ASSETS

	Intangible Asset £'000	Total £'000
<b>Cost or Valuation</b>		
At 1 August 2023	425	425
Transfers	-	-
Additions	-	-
Disposals	-	-
<b>At 31 July 2024</b>	<b>425</b>	<b>425</b>
<b>Amortisation</b>		
At 1 August 2023	174	174
Charge for the Year	77	77
Additions	-	-
<b>At 31 July 2024</b>	<b>251</b>	<b>251</b>
<b>Net book value at 31 July 2024</b>	<b>174</b>	<b>174</b>
Net book value as at 31 July 2023	251	251

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset is a Learner Management System that is operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department for the Economy. The asset commenced its useful life from 1<sup>st</sup> May 2021.

#### 14. SERVICE CONCESSION ARRANGEMENTS

South West College has two 30 year PFI agreements in respect of the provision of facilities and associated services at Omagh (contract expires 2036) and Dungannon campuses (contract expires 2037). South West College receives monthly unitary payment invoices for each contract from the PFI provider and these are allocated across capital repayment, interest and service charges in line with the PFI lifetime models (excluding inflation).

##### Movement in service concession arrangement assets

The asset value of the service concession included in the statement of financial position as at 31 July 2024 is £81.68M (2023: £81.95M). The decrease of £0.27M is due to a valuation increase of £2.09M and depreciation of £2.36M.

##### Movement in service concession liabilities

The total liabilities relating to the service concession included in the statement of financial position as at 31 July 2024 were £29.448M (2023 restated: £30.968M). The sum of £1.520M was repaid during the year.

The College has recorded a prior period adjustment to restate the 2023 comparatives. Due to a historic error in the PFI Accounting Model used to determine the accounting entries for the service concession arrangements, the 'Obligations under finance leases in respect of PFI contracts' balance was overstated. An adjustment of £1,395,000 has been made to reflect the correct service concession liability balance and the unrestricted income and expenditure account at 1<sup>st</sup> August 2022 and 31<sup>st</sup> July 2023.

**South West College**  
**Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)**

**Future Commitments**

The following table analyses South West College's future commitments in relation to service concession arrangements.

	Payable in 1 year	Payable 2-5 years	Payable 6-10 years	Payable 11-15 years	Total
	£'000	£'000	£'000	£'000	£'000
Liability repayments	1,389	7,903	13,798	6,358	29,448
Finance charge	2,374	8,636	5,112	(109)	16,013
Service charge	5,716	22,345	33,507	14,318	75,886
	<b>9,479</b>	<b>38,884</b>	<b>52,417</b>	<b>20,567</b>	<b>121,347</b>

This estimation is subject to change, which will affect the amount of future cashflows.

**15. TRADE AND OTHER RECEIVABLES**

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	275	441
Prepayments and accrued income	2,221	4,099
Other receivables - DfE	1,514	2,016
<b>Total debtors</b>	<b>4,010</b>	<b>6,556</b>

**16. CREDITORS: AMOUNTS FALLING DUE IN WITHIN ONE YEAR**

	2024	2023
	£'000	£'000
Obligations under finance leases in respect of PFI contracts	1,389	1,520
Payments received in advance	22	3
Taxation and social security	1,131	511
Deferred Capital Grants	2,854	2,867
Amounts owed to the Department	50	57
Other creditors and accruals	3,999	5,776
<b>Total creditors less than one year</b>	<b>9,445</b>	<b>10,734</b>



## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£'000	Restated £'000
Obligations under finance leases in respect of PFI contracts	28,059	29,448
Deferred capital grants	33,890	35,517
<b>Total</b>	<b>61,949</b>	<b>64,965</b>

Finance lease obligations are secured on the assets to which they relate.

#### 18. PROVISIONS FOR LIABILITIES AND CHARGES

	Other	Insurance	Total
	£'000	£'000	£'000
At 1 August 2023	294	-	294
Movement in Provision	5	-	5
Released to the income and expenditure account	-	-	-
<b>At 31 July 2024</b>	<b>299</b>	<b>-</b>	<b>299</b>

The provision of £299k relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment to the Supreme Court. In 2021, the case was paused to facilitate mediation, however, in March 2022 the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The Supreme Court heard the case on 14th and 15th December 2022.

The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the Court of Appeal.

The £299k provision has been estimated by South West College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20).

There are some very significant elements of uncertainty around this estimate for a number of reasons:

1. Lack of accessible data for years previous to 2008/09, requiring estimations to be applied;
2. Future negotiations with Trade Unions;

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

3. Obtaining legal advice on specific application of the ruling for the Northern Ireland Further Education sector;
4. The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift for Employer National Insurance Contributions (NI) and Employer Superannuation Contributions;
5. Taxation issues are under discussion with HMRC, by the wider Northern Ireland public sector.

Therefore, the estimated provision outlined above is based on the application of Department of Finance methodology, however, there remains significant uncertainty over the amount and timing of future payments.

#### 19. CASH AND CASH EQUIVALENTS

	At 1 August 2023 £'000	Cash Flows £'000	At 31 July 2024 £'000
Cash and Cash equivalents	3,859	(510)	3,349
	<b>3,859</b>	<b>(510)</b>	<b>3,349</b>

#### 20. PENSIONS AND SIMILAR OBLIGATIONS

The South West College's employees belong to two principal pension schemes: the Northern Ireland Teachers' Pension Scheme (NITPS) for academic and related staff; and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) for non-teaching staff. Both are defined-benefit schemes.

<b>Total pension cost for the year</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
NITPS: contributions paid	3,481	2,973
NILGOSC: contributions paid	1,526	1,508
NILGOSC: FRS 102 charge	(114)	677
NILGOSC: charge to the Statement of Comprehensive Net Expenditure (staff costs)	1,412	2,185
Enhanced pension charge to the Statement of Comprehensive Net Expenditure (staff costs)	-	-
<b>Total pension cost for the year</b>	<b>4,893</b>	<b>5,158</b>

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the NITPS and NILGOSC was 31 March 2022.

#### NITPS

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. The current regulations under which the scheme operates are the *Teachers' Superannuation Regulations (NI) 1998 (as amended)*.

Further information about the scheme is on the Department of Education's website at [www.education-ni.gov.uk](http://www.education-ni.gov.uk).

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations. The Actuary reviews employer contributions every four years following the scheme valuation. The 2016 scheme valuation was completed by GAD in March 2019. The outcome of this valuation was used to set the level of contributions for employers from 1 April 2019.

The 2016 Scheme Valuation requires adjustment as a result of the 'McCloud remedy'. The Department of Finance commissioned a consultation in relation to the Cost Cap element of Scheme Valuations which closed on 25 June 2021. The Cost Cap mechanism is a measure of scheme costs and determines whether member costs or scheme benefits require adjustment to maintain costs within a set corridor. By taking into account the increased value of public service pensions, as a result of the 'McCloud remedy', scheme cost control valuation outcomes will show greater costs than otherwise would have been expected.

The Department of Finance has since published a policy update which was legislated for in the Public Service Pensions & Judicial Offices Bill at Westminster, and for which a Legislative Consent Motion (LCM) was agreed by the Assembly on 1 November 2021. An LCM allows the Assembly to consent to legislation for Northern Ireland being made by the UK Parliament for devolved matters. The UK Bill will legislate how the government will remove the discrimination identified in the McCloud judgment. The Bill also includes provisions that employees will not experience any detriment if the adjusted valuation costs breach the set cost cap ceiling but any breaches of the cost cap floor (positive employee impacts) in the completed valuations will be honoured.

The employer contribution rate increased to 29.1% from 1 April 2024. On 1 April 2023 the salary bands applicable to member contributions for the NITPS changed. The appropriate contribution rates to be applied are now based on a members' annual salary rate (actual earnings) as opposed to their full-time equivalent (FTE) salary:

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### Rates 01 April 2023 – 31 March 2024

Up to £32,135.99	7.4%
£32,136 to £43,259.99	8.6%
£43,260 to £51,292.99	9.6%
£51,293 to £67,979.99	10.2%
£67,980 to £92,697.99	11.3%
£92,698 and above	11.7%

#### Rates 01 April 2024 – 31 March 2025

Up to £34,289.99	7.4%
£34,290 to £46,158.99	8.6%
£46,159 to £54,729.99	9.6%
£54,730 to £72,534.99	10.2%
£72,535 to £98,908.99	11.3%
£98,909 and above	11.7%

The NITPS is a multi-employer pension scheme. South West College is unable to identify its share of the underlying assets and liabilities of the scheme, and therefore, as required by FRS 102 (28), accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the contributions payable to the scheme in respect of the accounting period. South West College has set out above the information available on the scheme and the implications for the college in terms of the anticipated contributions rates.

#### NILGOSC

NILGOSC is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended. It is contracted out of the state pension scheme.

From 1 April 2023 the employers' contribution rates was 19% of the full-time salary or if-part-time, the full-time equivalent salary, and the employees' contribution rate is banded in line with the full-time salary or if part-time, the full-time equivalent salary as follows:

#### Rates 01 April 2023 – 31 March 2024

£0 to £16,900	5.5%
£16,901 to £26,000	5.8%
£26,001 to £43,400	6.5%
£43,401 to £52,800	6.8%
£52,801 to £104,700	8.5%
£104,700 and above	10.5%

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### Rates 01 April 2024 – 31 March 2025

£0 to £18,000	5.5%
£18,001 to £27,700	5.8%
£27,701 to £46,300	6.5%
£46,301 to £56,300	6.8%
£56,301 to £111,700	8.5%
Above £111,700	10.5%

The main reasons for the increase in the pension asset value as reported at 31 July 2024 are a change in the demographic assumptions within the calculation which has led to a gain of £273k, gain from the interest on the irrecoverable surplus of £178k, and an actuarial gain from assets of £1.976M. These gains have been offset by a loss on liabilities of £348k.

#### Principal actuarial assumptions

Principal actuarial assumptions at the statement of financial position date are as follows:

	At 31 July 2024 % pa	At 31 July 2023 % pa
Rate of increase in salaries	4.30	4.35
Rate of increase for pensions in payment/inflation	2.80	2.85
Discount rate for liabilities	5.00	5.10
Future Increase in Retail Price Index	3.10	3.15
Pension increases in deferment	2.80	2.85
Pension increases in payment	2.80	2.85

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

	At 31 July 2024	At 31 July 2023
<b>Retiring today:</b>		
Males	21.0 years	21.3 years
Females	23.9 years	24.1 years
<b>Retiring in 20 years:</b>		
Active/Deferred Males	21.6/21.9 years	21.9/22.2 years
Active/Deferred Females	24.7/25.0 years	24.9/25.2 years

**The actuarial assumptions include:**

**Guaranteed Minimum Pension (“GMP”) Indexation**

In order to ensure smooth transition to the single tier State pension and equalisation of GMP benefits between males and females, the Government introduced an interim solution in March 2016 in respect of people who are in public service pension schemes and who have a State Pension Age (“SPA”) between 6 April 2016 and 5 December 2018, whereby full inflationary increases will be provided by the Fund. In January 2018, this interim solution was extended to members who reach SPA between 6 December 2018 and 5 April 2021.

An announcement on 23 March 2021 further confirmed that public sector schemes will need to provide full indexation to members with a GMP state pension age beyond 5 April 2021.

The 2022 Valuation included an allowance for the additional liability potentially arising as a result of GMP indexation for all members reaching State Pension Age after 5 April 2021. The 2022 Valuation was used as the starting point for the roll forward calculation of the accounting Defined Benefit Obligation (DBO) at 31 July 2024 and therefore the DBO calculated at 31 July 2024 implicitly includes an allowance for GMP indexation.

The 31 July 2024 accounting valuation does not include any further allowance for GMP indexation.

**Goodwin Ruling**

A legal challenge has been made against the Government in respect of unequitable benefits for male dependants of female members (based on service after 1988) following the earlier Walker ruling. The Walker ruling made it necessary for public service pension schemes to provide survivors of registered civil partnerships or same-sex marriages with benefits that replicate those provided to widows. However, widows’ pensions were generally introduced in public service schemes in the 1970s whereas a male widower of a female member historically only received benefits based on service from 6 April 1988. An Employment Tribunal on 30 June 2020 has upheld the claim, and as a result the valuation has allowed for an additional liability in respect of the Goodwin ruling. An additional liability, equating to 0.1% of the DBO was included in the past service cost recognised in the year ended 31 July 2022. No further allowance has been made in the DBO as at 31 July 2024.

**McCloud Ruling**

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in 2014. The claimants challenged the transition protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination.

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The Government requested leave to appeal this decision to the Supreme Court, however the request was denied on 27 June 2019. As a result, certain scheme members had to be compensated for any discrimination suffered as a result of the transitional protections. The changes to legislation were implemented in 2015 for the NILGOSC Fund and therefore this only impacts benefits accrued from 1 April 2015 for those members who were active at that date. The 2022 Valuation included an allowance for the past service additional liability potentially arising as a result of McCloud underpin. The 2022 Valuation was used as the starting point for the roll-forward calculation at 31 July 2024 and therefore the DBO calculated at 31 July 2024 implicitly includes an allowance for the McCloud underpin for past service.

#### Mortality experience

Recent factors affecting mortality such as knock-on impacts from the Covid-19 pandemic, pressures on the UK National Health Service, and wider economic conditions will potentially be seen in two aspects:

- the membership of the Scheme at the year-end; and
- the assumption for future improvements.

As this is a roll forward calculation, the liabilities are based on the membership as at the last formal valuation 31 March 2022 and will ignore any excess deaths experienced in the period to the reporting date. The other aspect is future improvements; the CMI\_2022 model used at the previous year-end makes some allowance for recent experience under the core version of the model. Additional, anticipated long-term impacts of the pandemic and UK economic conditions on life expectancies were factored into the mortality rates projected under this model CMI\_2023 via non-core adjustments.

The South West College's share of the assets and liabilities in the scheme and the expected rates of return were:

	Value at 31 July 2024 £'000	Value at 31 July 2023 £'000
Equities	16,940	15,870
Bonds	8,838	7,970
Property	3,874	3,826
Multi Asset Credit	5,499	4,821
Cash/Other	7,269	4,470
<b>Total market value of assets</b>	<b>42,420</b>	<b>36,957</b>
Present value of scheme liabilities	<b>(36,844)</b>	<b>(33,572)</b>
<b>Surplus/(Deficit) in the scheme</b>	<b>5,576</b>	<b>3,385</b>

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

The amounts recognised in the statement of financial position are as follows:

	At 31 July 2024 £'000	At 31 July 2023 Restated £'000
<b>Funded Benefits</b>		
Scheme Assets	42,420	36,957
Scheme Liabilities	(36,798)	(33,523)
<b>Present value of funded defined benefit obligation</b>	<b>5,622</b>	<b>3,434</b>
Irrecoverable Surplus	(5,622)	(3,434)
<b>Funded Scheme – Net asset / (Liability)</b>	<b>-</b>	<b>-</b>
<b>Unfunded Benefits</b>		
Present value of unfunded deficit	(46)	(49)
<b>Net Liability</b>	<b>(46)</b>	<b>(49)</b>

Amounts recognised in the Statement of Comprehensive Net Expenditure in respect of the plans are as follows:

	2024 £'000	2023 £'000
<b>Amounts included in staff costs</b>		
Employer service cost (net of employee contributions)	1,504	2,195
Interest cost	2	263
<b>Total operating charge</b>	<b>1,506</b>	<b>2,458</b>

Analysis of pension finance costs:

	2024 £'000	2023 £'000
Expected return on pension scheme assets	1,925	1,322
Interest on pension liabilities	(1,749)	(1,585)
<b>Pension finance (costs)</b>	<b>176</b>	<b>(263)</b>
Interest adjustment due to irrecoverable surplus	(178)	-
<b>Pension finance (costs) post adjustment</b>	<b>(2)</b>	<b>(263)</b>
Actual return on plan assets	3,901	(1,020)



## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### Analysis of Other Comprehensive Income for pensions

	2024 £'000	2023 Restated £'000
Actuarial gains/(losses) on pension scheme assets	1,976	(2,342)
Actuarial (gains)/losses on scheme liabilities	(2,085)	10,296
<b>Total Other Comprehensive Expenses/(Losses)</b>	<b>(109)</b>	<b>7,954</b>

#### Asset and liability reconciliation:

##### Reconciliation of liabilities

	2024 £'000	2023 £'000
<b>Liabilities at start of year</b>	<b>33,572</b>	<b>43,551</b>
Service cost	1,373	2,188
Interest cost	1,749	1,585
Employee contributions	488	473
Actuarial loss/(gain)	75	(13,730)
Benefits paid	(544)	(502)
Past Service cost	131	7
<b>Liabilities at end of year</b>	<b>36,844</b>	<b>33,572</b>

##### Reconciliation of assets

<b>Assets at start of year</b>	<b>36,957</b>	<b>36,488</b>
Expected return on assets	1,925	1,322
Actuarial (loss)/gain	1,976	(2,342)
Employer contributions	1,618	1,518
Employee contributions	488	473
Benefits paid	(544)	(502)
<b>Assets at end of year</b>	<b>42,420</b>	<b>36,957</b>

The estimated value of employer contributions for the year ended 31<sup>st</sup> July 2025 is £1.561M.

#### History of actuarial gains/(losses) recognised in OCI

	2024 £'000	2023 Restated £'000	2022 £'000	2021 £'000	2020 £'000
Total Actuarial gains/(losses) recognised in OCI	<b>(109)</b>	7,950	16,407	5,682	(11,083)
Present value of liabilities	<b>36,844</b>	33,572	43,551	57,484	53,174

**South West College**  
**Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)**

**21. COMMITMENTS UNDER PFI CONTRACT**

The project is the development of new Further Education facilities at Dungannon and at Omagh. The Omagh development was completed in January 2006 and the operational phase of the scheme is for 30 years to October 2035. The Dungannon project was a three stage development. The contract started in November 2004 and was completed in September 2006. The operational phase of this scheme is also for 30 years and ends in October 2034.

The substance of the contract is that South West College has a finance lease and payments comprise four elements: imputed finance lease charges, service charges, overheads and lifecycle charges.

	2024	2023
	£'000	Restated £'000
Rentals due within one year	9,479	8,948
Rentals due within two to five years	38,884	37,185
Rentals due thereafter	72,984	80,425
	<u>121,347</u>	<u>126,558</u>
Less interest element	(16,014)	(18,694)
<b>Imputed finance lease obligations</b>	<b><u>105,333</u></b>	<b><u>107,864</u></b>

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service charges, overheads and lifecycle charges element PFI of on-statement of financial position transactions was £5.03M (year ended 31 July 2023 £4.78M).

**22. CONTINGENT LIABILITY**

South West College has obtained EU grant funding in recent years to deliver a wide range of projects. There is the potential for the claw back of certain grants in the event of the conditions of offer not being complied with. South West College does not believe that any such claw back would be significant.

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 23. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT

Owing to the nature of the South West College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the South West College's financial regulations and normal procurement procedures.

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Ms Celine McCartan (Principal and Chief Executive)	<ul style="list-style-type: none"> <li>Member – Cappagh Parish Finance Committee</li> <li>NIFRS Learning and Development Centre (Project Board Member)</li> <li>Fellow of Institute of Chartered Accountants Ireland</li> <li>Chartered Member – Institute of Personnel Development</li> </ul>	-	-	-	-	-	-	Registration/ Licence fees
Mr Nicholas O'Shiel (Chair of Governing Body)	<ul style="list-style-type: none"> <li>Chief Executive – Omagh Enterprise Company</li> <li>Member and Council Member of Omagh Chamber of Commerce (to 30 June 2024)</li> <li>Chair of Colleges Employers Forum (CEF) (to 30 June 2024)</li> </ul>	945	160	-	-	-	-	Corporate annual membership subscription

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Mrs Gillian McDowell (Governor)	<ul style="list-style-type: none"> <li>Company Director of HR Consultancy – Happy Raspberry</li> <li>Governor – Portadown College (from June 2022)</li> </ul>	-	-	-	-	-	-	
Mrs Maria Hackett (Governor – appointed 1 August 2023)	<ul style="list-style-type: none"> <li>AQA – part time employment</li> <li>Cambridge International – part time employment</li> <li>OCN NI (Open College Network) – part time employment</li> <li>Governing Body Member – Holy Trinity College Cookstown</li> <li>Governing Body member – Saints and Scholars Integrated Primary School Armagh (to April 2024)</li> </ul>	116,292	94,654	-	-	-	-	Exam fees
Ms Alana Jones Campbell (Governor)	<ul style="list-style-type: none"> <li>Self Employed – Alana Jones Workplace Solutions</li> <li>Self Employed Associate - Bespoke Consultants Limited</li> <li>Member of the Law Society NI</li> <li>Self Employed Associate - Inspire Wellbeing</li> <li>Self Employed Associate - Career Decisions Ireland</li> </ul>	-	1,491	-	-	-	-	Media training for CE

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Ms Alana Jones Campbell (Governor) (cont'd)	<ul style="list-style-type: none"> <li>Professional member of the Association for Neuro-Linguistic Programming</li> <li>Associate member of the Association for Coaching</li> </ul>	-	-	-	-	-	-	
Dr Frances Campbell (Governor)	<ul style="list-style-type: none"> <li>Head of Division: Research and Evaluation - S3 Solutions (to February 2024)</li> <li>Research and Development Officer – Community Transport Association NI (from February 2024)</li> </ul>	-	-	-	-	-	-	
Mr Diarmuid Hanna (Governor – appointed 20 November 2023)	<ul style="list-style-type: none"> <li>Customer Advisor – Henderson Retail</li> </ul>	-	-	-	-	-	-	
Mrs Libby Armstrong (Governor – appointed 1 August 2023)	<ul style="list-style-type: none"> <li>Waterways Ireland – Part time employment</li> <li>Industrial and Fair Employment Tribunals – Lay Member</li> <li>Labour Relations Agency NI – Board Member (effect 1 September 2023)</li> <li>Chartered Institute of Personnel and Development – Graduate Member</li> </ul>	-	-	-	-	-	-	Registration/ Licence fees
		9,428	13,916	-	-	-	-	

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Mr Michael Barnett (Governor – appointed 10 October 2023)	<ul style="list-style-type: none"> <li>• McAleer Jackson Limited</li> <li>• BP Healthcare Limited</li> <li>• Barnett Farms Limited</li> <li>• The Clogher Valley Agricultural Society Limited – Honorary Treasurer</li> </ul>	-	-	-	-	-	-	
Dr David Cutting (Governor – appointed 1 August 2023)	<ul style="list-style-type: none"> <li>• Employee – Queens University Belfast</li> <li>• Director/Owner – Simplified Silicon Limited</li> <li>• External Examiner – University of Hertfordshire</li> <li>• External Examiner – University of Bradford</li> </ul>	60,181	-	-	4,551	-	-	Validation Fees CASE Project
Ms Siobhan Breen (Staff Member/ Governor – term of office ended 21 November 2023)	<ul style="list-style-type: none"> <li>• Employee South West College</li> </ul>	-	-	-	-	-	-	
Mrs Deborah Brown (Staff Member/ Governor)	<ul style="list-style-type: none"> <li>• Employee South West College</li> </ul>	-	-	-	-	-	-	

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Mr Tom Corr (Staff Member/ Governor – appointed from 22 November 2023)	<ul style="list-style-type: none"> <li>Registered Provider – Trevenna Lodge Residential Care Home</li> <li>Committee Member – Row the Erne (from April 2024)</li> </ul>	-	-	-	-	-	-	
Mr Brian Ingram (Governor)	<ul style="list-style-type: none"> <li>Member – Probation Board for NI</li> <li>Chair – Board of Directors of Cithrah Foundation</li> </ul>	-	-	-	-	-	-	
Mr Jack Daly (Governor – term of office ended 30 September 2023)	<ul style="list-style-type: none"> <li>None</li> </ul>	-	-	-	-	-	-	
Mrs Sandra Isherwood (Governor)	<ul style="list-style-type: none"> <li>Company Director/Company Secretary – Creative Media</li> <li>Hons Secretary – St Columba’s Parish Church</li> <li>Principal/Secretary of Board of Governors/Coach of First Time Principals/Teacher Tutor/Designated Teacher – Jones Memorial Primary School</li> </ul>	-	-	-	-	-	-	

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Dr Lynsey Quinn (Governor)	<ul style="list-style-type: none"> <li>Head of Private Sector Development – The Open University (GB &amp; ROI)</li> <li>Governor – Barbour Nursery School Lisburn</li> <li>Governor – Wallace High School</li> <li>Member – Institute of Directors (UK &amp; ROI)</li> </ul>	92,161	106,485	-	-	-	-	Registration Fees
Ms Anne McCleary (Governor)	<ul style="list-style-type: none"> <li>Member of the Law Society of Northern Ireland</li> <li>President – Fusion Theatre Lisburn</li> </ul>	-	-	-	-	-	-	
Mrs Maria Curran (Governor – appointed 1 August 2023)	<ul style="list-style-type: none"> <li>Self employed Project Director – MEGA network</li> </ul>	-	-	-	-	-	-	
Mrs Maureen Brunt (Governor)	<ul style="list-style-type: none"> <li>Business and Wellbeing Development Consultant – Lynx Business and Wellbeing Services</li> <li>Manager – RJR Brunt</li> <li>Member – Probation Board NI (to February 2025)</li> <li>Member – Equality Commission NI (to June 2025)</li> <li>Voluntary – NI Drainage Council</li> </ul>	-	-	-	-	-	-	



## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2023 £	Amount Paid 2024 £	Amount received 2023 £	Amount received 2024 £	Amount outstanding at 31 July 2023 £	Amount outstanding at 31 July 2024 £	Nature of Transactions
Mrs Maureen Brunt (Governor) (cont'd)	<ul style="list-style-type: none"> <li>Voluntary Director – Trillick Enterprise Limited</li> <li>Local Preacher Methodist Church Ireland</li> <li>Member – Chartered Institute of Personnel and Development</li> <li>Member – Institute of Directors</li> <li>Member – London Institute of Banking and Finance/Institute of Financial Services</li> <li>Member – European Mentoring and Coaching Council</li> <li>Member – British Psychological Society</li> <li>Fellowship – Federation of Holistic Therapists</li> </ul>	-	-	-	-	-	-	Registration/ Licence fee
Mrs Sharon McGrath (Director of Corporate Services)	<ul style="list-style-type: none"> <li>None</li> </ul>	-	-	-	-	-	-	
Mr Ciaran McManus (Director of Development and Support)	<ul style="list-style-type: none"> <li>DE Representative – St Joseph's College Enniskillen Governing Body</li> </ul>	-	-	64,552	53,865	-	-	Entitlement Framework fees
Mr Pdraig McNamee (Director of Curriculum)	<ul style="list-style-type: none"> <li>Farm Business</li> </ul>	-	-	-	-	-	-	

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 24. AMOUNTS DISBURSED AS AGENT: SUPPORT FUNDS

	2024 £'000	2023 £'000
DfE Grants - Hardship	132	195
Disbursed to students - Hardship	(100)	(88)
<b>Balance unspent at 31 July 2024</b>	<b>32</b>	<b>107</b>
DfE Grants – Care to Learn	9	3
Disbursed to students – Care to Learn	(9)	(3)
<b>Balance unspent at 31 July 2024</b>	<b>-</b>	<b>-</b>

Support funds are available solely for distribution to students; the South West College acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

#### 25. LOSSES AND SPECIAL PAYMENTS

	2024 £'000	2023 £'000
Bad debt write off	17	13
Special payment	-	7
	<b>17</b>	<b>20</b>

South West College sought to recover the debt initially and subsequently on advice, has now written off these balances. Appropriate approval has been granted. The bad debt write off comprises 66 Student debts in 2023/24. South West College followed procedures as per the Credit Control and Debt Management Policy including the sending of invoices, statements and reminder letters, forwarding the debt to the Debt Collection Agency for recovery, and the sending of letters before legal action all without success. (5 student debts in 2022/23)

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### 26. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

Financial Reporting Manual (FRM) requires Non-Departmental Public Bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing i.e. by crediting them to the income and expenditure reserve.

	Notes	2024 £'000	2023 Restated £'000
<b>INCOME</b>			
DfE income (non grant-in-aid items)	1	6,030	1,730
Education contracts	2	5,279	4,169
Tuition fees and charges	3	1,984	1,891
Other grant income	4	1,332	1,453
Other operating income	5	796	1,236
Investment income	6	187	94
<b>Total incoming resources</b>		<b>15,608</b>	<b>10,573</b>
<b>EXPENDITURE</b>			
Staff costs	7	28,591	28,965
Other operating expenses	9	13,925	15,549
Interest and other finance costs	10	2,682	3,015
Depreciation	12 & 13	6,159	5,876
<b>Total resources expended</b>		<b>51,357</b>	<b>53,405</b>
		<b>(35,749)</b>	<b>(42,832)</b>
<b>Net deficit for the year</b>			
Unrealised surplus on revaluation of land and buildings		3,966	13,447
Actuarial gain/(loss) in respect of pension scheme		(109)	7,954
<b>Exceptional items</b>			
Exceptional costs – staff	7	(2,506)	-
Exceptional gain – non staff	9	604	459
Exceptional gain – sale of asset	12	7	815
<b>Amount transferred to reserves</b>		<b>(33,787)</b>	<b>(20,157)</b>

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### Analysis of reserves prepared under FReM

		2024	2023
	Notes	£'000	Restated £'000
Balance at 1 August		97,233	75,840
Grant-in-aid received in year	27	33,559	40,155
Prior Year Adjustment - PFI	14	-	1,395
Net operating cost for year		(33,787)	(20,157)
<b>Balance at 31 July</b>		<b>97,005</b>	<b>97,233</b>

#### Note 1

	2024	2023
	£'000	£'000
<b>DfE income (Non-Grant in Aid items)</b>		
EMA	12	11
Higher Level Apprenticeships	1,565	1,104
Other	4,453	615
<b>Balance at 31 July</b>	<b>6,030</b>	<b>1,730</b>

#### Note 27

	2024	2023
	£'000	Restated £'000
<b>Reconciliation of Amount Transferred to Reserves and Grant In Aid</b>		
Amount transferred to reserves	33,787	20,157
Prior year adjustment – Pension	-	(3,434)
Unrestricted comprehensive income	(228)	23,432
<b>Grant-in-aid received in year</b>	<b>33,559</b>	<b>40,155</b>

## **28. PRIOR PERIOD ADJUSTMENTS**

### **Pension**

At 31 July 2023, a net pension asset of £3,385k was recognised in respect of the NILGOSC pension scheme. The asset was calculated as the difference between the fair value of the assets held in the defined benefit scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method. At the reporting date, the College's actuary considered IFRIC 14 and recommended that the asset ceiling (i.e. the maximum surplus which should be recognised) should be set to equal the present value of the future service cost over a prescribed period, using the accounting assumptions at the measurement date. As such, the College recognised the full surplus at 31 July 2023.

In November 2023, the Chartered Institute of Public Finance & Accountancy issued "CIPFA Bulletin 15 – Reporting of pensions surpluses and IFRIC 14". In this, the CIPFA concluded that the requirements of the Local Government Pension Scheme Regulations could be interpreted such that a minimum funding requirement applies to Local Government Pension Schemes.

As such, the College actuary now considers that any pension accounting surplus to be recognised on the Statement of Financial Position is to be restricted to the present value of future service costs less the present value of the minimum funding requirement contributions for future service (i.e. the asset ceiling should be set at this level).

At 31 July 2023, the future service cost was between 19% and 20% of the College. This is broadly in line with the minimum NILGOSC funding requirement contributions of 19.8%. As such, the present value of future service costs less the present value of the minimum funding requirement contributions is less than zero and the actuary has recommended that the asset ceiling is set equal to zero.

The accounts have been restated to incorporate the impact of the latest actuarial advice.

### **Private Finance Initiative**

The College has recorded a prior year adjustment to restate the 2023 comparatives. An adjustment of £1,395,000 has been made to reflect the correct obligations under finance leases in respect of PFI balance and unrestricted income and expenditure account at 1 August 2022 and 31 July 2023. The variance is a result of a 2019 re-model of the PFI projects. Assumptions made within the re-model workings in 2019 profiled a higher finance lease cost paid at 31 July 2019 compared to that per College records. As such, the College continued to recognise the actual finance lease cost paid per its records. This resulted in obligations under finance leases in the accounts being £1,395k higher than the profile per the model.

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

The comparative figures in the Statement of Financial Position have been restated accordingly and the effect is summarised below:

	2023 Restated £'000	2023 PFI Adjustment £'000	2023 Pension Adjustment £'000	2023 Published £'000	2022 Restated £'000	2022 PFI Adjustment £'000	2022 Pension Adjustment £'000	2022 Published £'000
<b>Non Current assets</b>								
Tangible Assets	162,609	-	-	162,609	153,920	-	-	153,920
Intangible Asset	251	-	-	251	328	-	-	328
Pension Assets	-	-	(3,385)	3,385	-	-	-	-
<b>Total Non Current assets</b>	<b>162,860</b>	<b>-</b>	<b>(3,385)</b>	<b>166,245</b>	<b>154,248</b>	<b>-</b>	<b>-</b>	<b>154,248</b>
<b>Current assets</b>								
Trade and other receivables	6,556	-	-	6,556	4,402	-	-	4,402
Cash at bank and in hand	3,859	-	-	3,859	4,020	-	-	4,020
<b>Total current assets</b>	<b>10,415</b>	<b>-</b>	<b>-</b>	<b>10,415</b>	<b>8,422</b>	<b>-</b>	<b>-</b>	<b>8,422</b>
Less: Creditors – amounts falling due within one year	(10,734)	-	-	(10,734)	(9,939)	-	-	(9,939)
<b>Net current assets</b>	<b>(319)</b>	<b>-</b>	<b>-</b>	<b>(319)</b>	<b>(1,517)</b>	<b>-</b>	<b>-</b>	<b>(1,517)</b>
<b>Total assets less current liabilities</b>	<b>162,541</b>	<b>-</b>	<b>(3,385)</b>	<b>165,926</b>	<b>152,731</b>	<b>-</b>	<b>-</b>	<b>152,731</b>
Less: Creditors – amounts falling due after more than one year	(64,965)	1,395	-	(66,360)	(68,139)	1,395	-	(69,534)
<b>Provisions:</b>								
Other provisions	(294)	-	-	(294)	(294)	-	-	(294)
Pension provision	(49)	-	(49)	-	(7,063)	-	-	(7,063)
<b>Net assets including pension liability</b>	<b>97,233</b>	<b>1,395</b>	<b>(3,434)</b>	<b>99,272</b>	<b>77,235</b>	<b>1,395</b>	<b>-</b>	<b>75,840</b>
<b>Unrestricted Reserves</b>								
General reserve	5,281	1,395	(3,434)	7,320	(3,216)	1,395	-	(4,611)
Revaluation reserve	91,952	-	-	91,952	80,451	-	-	80,451
<b>Total reserves</b>	<b>97,233</b>	<b>1,395</b>	<b>(3,434)</b>	<b>97,272</b>	<b>77,235</b>	<b>1,395</b>	<b>-</b>	<b>75,840</b>
<b>TOTAL</b>	<b>97,233</b>	<b>1,395</b>	<b>(3,434)</b>	<b>97,272</b>	<b>77,235</b>	<b>1,395</b>	<b>-</b>	<b>75,840</b>

## South West College

### Notes to the Financial Statement for the Year Ended 31 July 2024 (Cont'd)

#### Restated 17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 Restated £'000	2023 PFI £'000	2023 Published £'000	2022 Restated £'000	2022 PFI £'000	2022 Published £'000
Obligations under finance leases in respect of PFI contracts	29,448	(1,395)	30,843	30,968	(1,395)	32,363
Deferred capital grants	35,517	-	35,517	37,171	-	37,171
<b>Total</b>	<b>64,965</b>	<b>(1,395)</b>	<b>66,360</b>	<b>68,139</b>	<b>(1,395)</b>	<b>69,534</b>

#### Restated 21. COMMITMENTS UNDER PFI CONTRACT

	2023 Restated £'000	2023 PFI £'000	2023 Published £'000	2022 Restated £'000	2022 PFI £'000	2022 Published £'000
Rentals due within one year	8,948	-	8,948	8,396	-	8,396
Rentals due within two to five years	37,185	-	37,185	34,727	-	34,727
Rentals due thereafter	79,885	(1,395)	81,820	82,582	(1,395)	83,977
	126,018	(1,395)	127,413	125,705	(1,395)	127,100
Less interest element	(18,694)	-	(18,694)	(21,446)	-	(21,446)
<b>Imputed finance lease obligations</b>	<b>107,324</b>	<b>(1,395)</b>	<b>108,719</b>	<b>104,259</b>	<b>(1,395)</b>	<b>105,654</b>

#### 29. EVENTS AFTER THE REPORTING PERIOD

##### Non-Teaching Pay Award – April 2024

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. The rates of salaries from 1 April 2024 were published by NJC on 22 October 2024. These rates of salaries for non-teaching staff have been accrued in staff costs for the year ended 31 July 2024.

**Date of authorisation for issue**

The Accounting Officer authorised the issue of these financial statements on 19 December 2024.