

The background of the cover is a photograph of a modern, multi-story building with a curved facade and large windows. A large, stylized teal graphic, consisting of a thick curved line with a dotted pattern, sweeps across the top and right side of the image. The text is overlaid on a dark grey background at the bottom left.

Annual Report & Accounts

For the year ending 31 July 2024

src Southern
Regional
College

Southern Regional College
Annual Report and Accounts
for the year ended 31 July 2024

The Accounting Officer authorised these financial
statements for issue on 17 December 2024

Laid before the Northern Ireland Assembly under the Institutions of
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the
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**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

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NATURE, OBJECTIVES AND STRATEGIES

The members of the Governing Body present their report and the audited financial statements for the year ended 31 July 2024.

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 resulted in Colleges being determined as Non-Departmental Public Bodies (NDPB).

Colleges have been granted charitable status by the UK HM Revenue and Customs.

PURPOSE AND STRATEGIC CONTEXT

The Further Education sector has a dual mandate to promote economic growth and social inclusion and is the main provider of professional and technical education and training in Northern Ireland. The College is well placed to provide learners, employers, and the local community with a wide range of education and training opportunities and to realise its aim in establishing a reputation for outstanding quality in teaching, training, and business support, not just within Northern Ireland but nationally and internationally.

The College is one of the largest education providers in NI and has a strong local and national reputation. Maintaining a quality brand is essential for the College's success in attracting students and positively developing external relationships. The College has a key role to play in raising the skill levels in the region and in supporting the Minister for the Economy's Economic Priorities of Regional Balance, Good Jobs, Decarbonisation, and Increased productivity.

The future demand for skills is particularly relevant to Colleges across Northern Ireland as the NI skills barometer highlights that delivering on Northern Ireland's economic potential will require a significant uplift in the number of people undertaking professional and technical qualifications.

OUR VISION, MISSION AND VALUES

The long-term vision of the College is based on the desire to provide relevant and meaningful vocational learning opportunities delivered through innovative, relevant teaching and learning, which is informed by effective quality improvement planning.

This vision is amplified through the College mission statement and values, which articulate what this will mean to individual learners and seeks to establish a context of progressive and effective management to build an appropriate working and learning environment for the community that we serve. Students are treated as mature individuals and are encouraged to take responsibility for their learning experience and to play an active role in decisions that affect them.

Students are given every opportunity to develop personal and social skills so they can derive the maximum benefit from their experience with the College. This includes access to skills competitions, employability, work experience, work related challenges and projects, participation in student mobility programmes and an increasingly effective students' union.



Figure 1

STRATEGIC AIMS

The Governing Body has overarching responsibility for setting the strategic direction of the College. The annual College Development Plan 2023-24 sets out the College's purpose, values and vision and embodies our commitment to working effectively together in providing skills solutions that meet current and emerging economic demand.

The College's core purpose is to link individuals to work, assisting them in finding a job, keeping a job and getting a better job. The College also assists businesses to innovate and grow increasing competitiveness across the region.

The College's strategic aims and objectives are set in the context of the wider policy environment, and seek to address three key areas through its curriculum offering and business support activities:

- economic development through the provision of courses designed to meet the needs of the local and regional economy particularly in priority sectors;
- personal development through opportunities for further study and learning at all levels in preparation for working life and into retirement; and
- social development, allowing people from different community backgrounds to participate on a wide range of courses at all levels.

IMPLEMENTATION OF THE DEVELOPMENT PLAN

The College’s development plan for 2023-24 sets out 22 strategic objectives underpinned by a series of actions and targets to successfully deliver on the following 7 strategic aims:



Figure 2

The following section provides a summary of progress against each strategic aim and underpinning objectives for the period 1 August 2023 – 31 July 2024. Where a key objective has not been achieved in full during 2023-24 these have been reconsidered in the development of the College Development plan for 2024-25.

Aim	Key Objective	Status
Provision of a high-quality learning experience through a relevant and meaningful curriculum	To provide a curriculum portfolio that meets the current and future needs of individuals and employers.	Achieved
	To widen the educational participation of those most marginalised in society.	Achieved
	To support our local schools in the delivery of the entitlement framework through the provision of professional and technical courses at key stage 4 and post GCSE.	Achieved
	To embed an effective system of self-evaluation and quality improvement leading to sustained improvement in teaching and learning and wider support services	Achieved
	To address under performance leading to increased retention and achievement rates.	Actions ongoing – C/f to 24/25

	To develop and embed new innovative, flexible, and responsive delivery methods to meet the needs of individuals.	Actions ongoing – C/f to 24/25
	To effectively promote the College and increase brand recognition.	Achieved
Support economic growth and innovation through flexible business support solutions	To stimulate business innovation and productivity through a range of business support services.	Achieved
	To improve the skills and employability of the local and regional workforce.	Achieved
Inspired people and Organisation Development	To maintain and promote an environment that will foster equality, respect for diversity and difference and employee wellbeing.	Achieved
	To promote staff well-being.	Achieved
	To commit to the continued professional development of staff to ensure their skills and qualifications support the delivery of a high-quality curriculum and support service.	Actions ongoing – C/f to 24/25
Effective Governance and Financial Management	To maintain and enhance financial management arrangements to ensure best use of financial resources	Achieved
	To ensure that an effective system of risk management, governance and financial control operates at all levels within the College.	Achieved
	To ensure continued compliance with college policies, procedures and statutory requirements.	Achieved
Provision of a safe and stimulating environment	To provide a modern fit for purpose estate.	Actions ongoing – C/f to 24/25
	To provide a stable ILT infrastructure and service that meets the needs of learners and delivers business critical systems.	Achieved
	To promote and maintain a positive health and safety culture at all levels throughout the organisation.	Achieved
Increased International Links	To provide international exchange opportunities for college staff and students.	Not Achieved
Creating a sustainable inspired College	To develop and support a sustainable workforce	Achieved
	To embed the UN Sustainable Development Goals in all aspects of College life and to provide students with the knowledge, skills and attitudes to promote sustainable development.	Achieved
	To embed sustainable practice in all aspects of college operations.	Achieved

COLLEGE DEVELOPMENT PLAN 2023-24

The College Development Plan (CDP) sets out the operational plans within the budget remit defined by the Department for the Economy (DfE). The educational and performance measures are detailed in the DfE Educational Report Card (ERC) as follows:

- Report Card 1: Innovation
- Report Card 2: Inclusive Growth
- Report card 3: Sustainability

PERFORMANCE INDICATORS AND REVIEW OF PERFORMANCE 2023-24

The Colleges performance and progress against the measures set out in the CDP are reported regularly to DfE.




REPORT CARD	AIMS	STATUS	COMMENT
Innovation	1. To increase the Number of Businesses in Northern Ireland engaging in Innovation activities 2. To meet the skills need of businesses in Northern Ireland to support increased business productivity and growth		Achieved in line with targets set out in the Innovation report card.
Inclusive Growth	1. Creating a culture of life-long learning. Providing access to FE and HE in FE, to those furthest away from the labour market and those with low or no formal qualifications. 2. Upskilling and reskilling learners to progress in life-long learning and to meet employer skills needs through provision of focussed training, providing skills and qualifications necessary to secure employment.		The Colleges achieved an overall recruitment figure of 20,948 (including Essential Skills of 2,168) against a target of 20,219 enrolments.
Sustainability	1. To address the skills need of the future workforce in green industries through upskilling and reskilling learners in support of a net zero economy in Northern Ireland. 2. To deliver against the public body reporting duties of the Climate Change Legislation delivering an energy efficient and sustainable estate.		The College achieved implementation of the key actions identified for 2023-24. The College will continue to engage across the sector to develop a clear baseline for 2024-25

Table 1

CURRICULUM DEVELOPMENT

The College continues to be a key driver in supporting the supply of skills solutions both locally and regionally whether through the College's apprenticeship provision or through its highly effective Business Support and Innovation Unit. As the demand and supply of skills solutions has never been more critical for the future economic growth of Northern Ireland, the College's curriculum offer continues to be targeted on the current and future skill needs of the local and regional economy.

The College continues to be one of the largest skills training providers in Northern Ireland with professional and technical training provided in more than 25 areas to over 1,400 trainees and apprentices delivered in skills training centres in Armagh, Newry and Portadown.

The College continues to align its curriculum provision with the educational policies and priorities set by the Executive and the Department for Economy, such as, The Skills Strategy, Programme for Government and more recently the Minister's key priorities of:

- Good Jobs
- Regional Balance
- Increased Productivity
- Decarbonisation

All curriculum development adheres to the key priorities of the Department of the Economy as well existing curriculum frameworks such as Higher-Level Apprenticeships, Level 2 and 3 Apprenticeships, Traineeship and any specific initiatives or areas of focus such as Business Support and STEM initiatives.

The enrolment targets for 2023-24 focused on increasing participation in priority/STEM skills areas, ensuring that all curriculum provision leads to qualifications that are on the regulated qualifications framework as well as supporting people to achieve Level 2 Essential Skills qualifications in literacy and numeracy and qualifications at Level 2 and above.

The College remains committed to its core areas of business, namely:

- Further and Higher Education (including Essential Skills);
- Skills training through Apprenticeships NI contracts;
- Schools' Partnership Provision; and
- Community engagement.

Continuing funding pressures has had a direct impact on the College's ability to maintain the same curriculum offer as in previous years. To support the college's core provision the college has participated in a number of externally funded programmes and cross border collaborations.

In Sept 2023 the College launched the 'Employ Me' Employability Programme funded by Ministry of Housing, Communities and Local Government, formerly Department for Levelling Up, Housing and Communities (DLUHC) to invited guests from local industry, community organisations and elected representatives. The aim of the programme is to provide training, employability and wraparound support to those who are economically inactive to reduce barriers, develop skills, achieve qualifications and enhance employability. The participant led programme, combined with individualised support and mentoring has been successfully operating for 11 months. The current

achievement rate to date was 54% of its target qualification target and 62% of its target employment target, resulting in 412 people entering employment in the local economy.

The College in collaboration with the other five Colleges secured an additional £2m for a two-year programme (Step Up) to provide support to those that face additional barriers to fully engage in skills and education opportunities and those at risk of being excluded from educational or economic opportunities. The Programme targeted young people not in education or training, unemployed people 24+, those with a disability and women returners. The programme provides supportive training opportunities and mentoring across a 12–26 week duration that includes training across a suite of level 1, 2 and industry recognised qualifications, combined with job coaching and work sampling where necessary. The current achievement rate to date is 71% with some results pending. Initial progression outcomes show 56% of participants progressing to Education, against a target of 50%, with 39% progressing into Employment against a target of 20%.

Throughout 2023-24 the College also focused its efforts on enhancing their international links and building new strategic alliances which would position the College as an outward and progressive college with a specific focus on attracting external funding or inward investment. This has been instrumental in positioning the College as a key driver of skills across the border region.

The first collaborative task will see the development of an All-Island Cross Border Robotics and Automation Apprenticeship that will provide a progression route to the College's Degree Apprenticeship in Engineering.

The College's Business Support and Innovation team (BSI) supports businesses of all sizes to innovate, compete and grow, thereby contributing to the growth of the NI Economy. The centre offers three key pillars of support:

- Knowledge transfer and innovation;
- Workforce development and upskilling;
- Talent Acquisition through the development and promotion of HLAs.

QUALITY - EDUCATION AND TRAINING INSPECTORATE

In March 2024 the Education and Training Inspectorate (ETI) advised that the Quality Improvement Planning Whole College Quality Improvement Plan 2022–24 submission contained sufficient evidence that the College is planning effectively for learning and quality improvement, which maintains the College's annual record of full proficiency in this significant area.

HOW WELL DID WE DO?¹

REPORT CARD 1 – INNOVATION




ACTIVITY	TARGET	ACTUAL	STATUS
Innovation Based Projects	121	138	
Tailored Training	380	441	
Assured Skills Academies	2	2	

Table 2

In 2023-24 the College delivered a range of innovation initiatives including Innovate Us, Innovation Vouchers, Innovation Boost, Knowledge Transfer Projects, Skills Focus, Productivity Booster, Skill Up, Assured skills academies and themed workshops to 581 local companies totalling almost £2.2m and achieving 1,314 enrolments. 34 % of Skills Focus and Skills Up courses were delivered in Broad STEM subjects at L2+.

REPORT CARD 2 – INCLUSIVE GROWTH







ACTIVITY - ENROLMENTS	TARGET	ACTUAL	STATUS
Further Education (FT & PT) (Excluding ES)	13,898	14,484	
Higher Education (FT & PT) (Including HLA)	1,839	1,613	
Work Based Learning/Traineeships/APPsNI (FT & PT)	2,640	2,683	
Essential Skills	1,842	2,168	
Total Enrolments	20,219	20,948	
Priority Sector Area and / or 'Broad' Stem (PSSA)	8,130 (44%)	8,994 (48%)	

Table 3

¹ CDP Progress Education Report Card extract as at 31 July 2024

The overall enrolment target of 20,219 was achieved and the College recruited an additional 729 enrolments during the 2023/24 year. Higher Education FT continues to be a challenge for the College due to several external factors, the College continues to work to address this.

REPORT CARD 3 – SUSTAINABILITY



ACTIVITY	TARGET	ACTUAL	STATUS
Staff Training	30%	45%	
Deliver Effective Efficient and Sustainable Estate	Establish baseline and key activities		

Table 4

WHO IS BETTER OFF?

ENROLMENT PROFILE

The College plays a significant role in addressing the education needs of those living in areas of greatest deprivation. This is illustrated by the fact that 50.2% of the College’s total enrolment were from students within population quintiles 1 and 2, Figure 3.

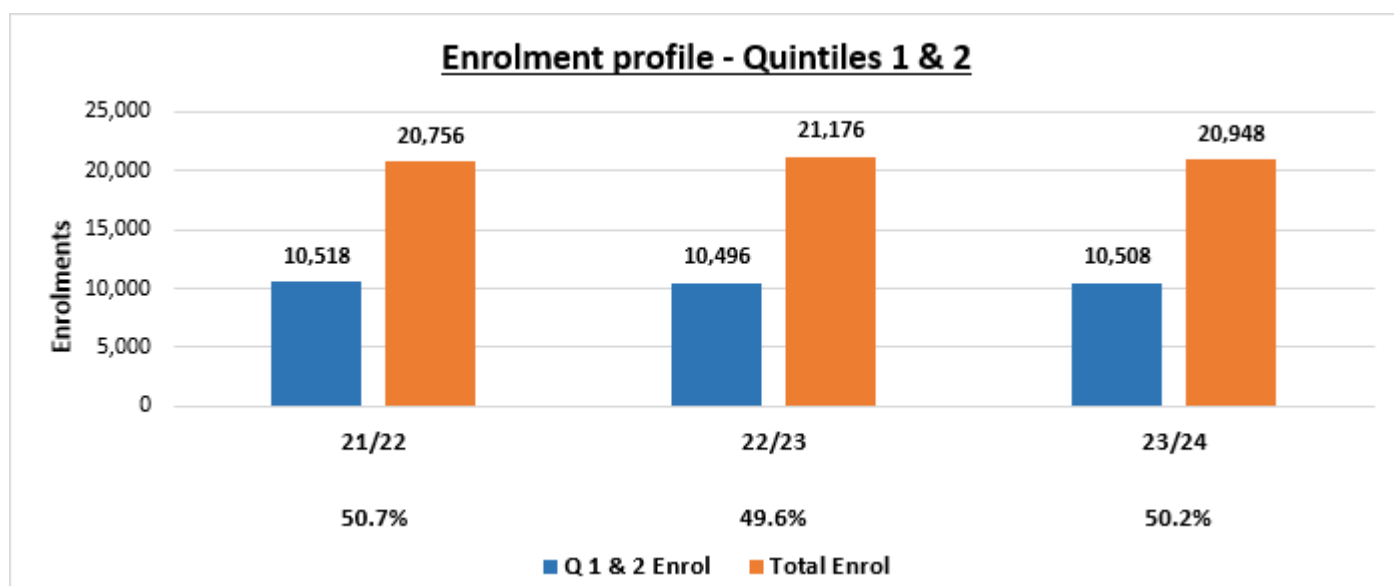


Figure 3

COMMUNITY ENGAGEMENT

The College region includes 5 Neighbourhood Renewal Areas (NRA) at Armagh, Brownlow, Lurgan, Newry and Portadown, and 15 of the top 100 most deprived areas in Northern Ireland. To address regional needs the College’s Community Outreach Team targets programmes aimed at supporting people and communities to overcome inequality and disadvantage through education and training. The College continues to lead the delivery of Community Education in support of the regional Neighbourhood Renewal (NR) Strategy. This has been instrumental in the development of targeted projects to tackle social deprivation, through the provision of innovative tailored training opportunities to meet the needs of marginalised groups and disadvantaged individuals. These

projects evolve each year to reflect the changing nature of skills shortages in businesses and requests from the community groups.

In addition, the College successfully delivered five projects that targeted those who are economically inactive and face social exclusion to residents living within the five NRAs enrolling 321 people, resulting in 263 achieving qualifications and 48 gaining employment to date. Prioritising provision in areas of significant deprivation will remain a key focus for the college in the coming years to provide education and training opportunities in these areas as part of the wider community planning process.

SCHOOLS' PARTNERSHIP PROGRAMMES (SPP)

The College plays a significant role in providing access to a wide range of vocational learning opportunities that would not otherwise be available to pupils in local schools.

The Entitlement Framework aims to guarantee all school pupils greater choice and flexibility by providing them with access to a wide range of learning opportunities suited to their needs, aptitudes, and interests, irrespective of where they live or the school they attend. In 2023-24, the College maintained excellent levels of engagement with 24 schools across the four Area Learning Communities within the region, achieving enrolments of 3,052 students.

STUDENT OUTCOMES

The number of learners achieving qualifications as recorded 26 September 2024 is shown in table 5 below.

Student Achievement	Achievement 2023-24		Achievement 2022-23	
		%		%
Further Education				
Full Time	1,031	83%	1,243	82%
Part Time	6,656	82%	7,695	81%
Higher Education				
Full Time	142	96%	110	87%
Part Time	590	85%	680	76%
Work Based Learning TFS/Apps NI	1,317	87%	1,155	91%
Essential Skills	1,169	70%	1,071	56%

Table 5

STUDENT PROGRESSION

During the first term of the 2023-24 academic year the Careers Team tracked the destination of full-time and part-time Level 2 and 3 Further Education learners and Higher Education learners who left the College in June 2023. Findings indicated a range of leaver destinations, including progression into employment or additional learning as detailed in table 6 below:

Tracked Destination	Number	%
Total Number of College Students Tracked	2581	100%
Total Number of College Students Responses	2545	98.6%
Progressed to HE externally	337	13.2%
Progressed to HE internally	202	7.9%
Progressed to FE internally	363	14.3%
Progressed to FE externally	5	0.2%
Progressed to other College Courses	149	5.9%
Entered Employment	1368	53.8%
Seeking Employment	33	1.3%
Gap Year	58	2.3%
Repeating Year	18	0.7%
Other	4	0.2%
Ext FE	5	0.2%
Other Training	8	0.3%

Table 6

WIDENING PARTICIPATION

As part of the College’s DfE, HE Widening Access Participation Plan (WAPP) 2023-24, bursaries were awarded to 80 HE students amounting to £18,250 support.

JAMES KANE FOUNDATION

The James Kane Foundation Board approved support with tuition fees for two students each year for four years. The scholarship provides funding to students from the Armagh, Banbridge and Craigavon area in 2023 – 2027 academic years. The total amount of this scholarship was £2,700 per student which is a total value of up to £5,400 per year. The College proposed to use the £5,400 donated from the James Kane Foundation to help part time students stay in education and complete their course by using this funding to pay tuition fees and other course related costs such as equipment, materials, and travel expenses. As a result, three part time students made successful applications to the scholarship for course related costs.

OTHER DEVELOPMENTS

Performing Arts and Music students toured secondary schools in the Armagh, Banbridge and Craigavon area with a structured performance based on the true story, ‘I Love You Mum – I Promise I Won’t Die’ by Mark Wheeler. This initiative was developed in conjunction with the Policing and Community Safety Partnerships and the Police Service of Northern Ireland and was aimed at raising awareness of the impact of drug misuse.

COMPANIES ENGAGED

During 2023-24 the College successfully engaged 765 companies including 26 cross border companies located in Cork, Sligo, Limerick, Louth, Dublin, Leitrim, Offaly, Monaghan, Clare, Meath and Galway seeking to develop new products and processes. The team provided support through

research, development and mentoring activities. Projects span across 18 months and the main technical areas of support were:

- Food product development and scale up;
- Product design and prototyping;
- Design for manufacture;
- Development and streamline IT systems and processes;
- Cyber security processes; and
- Lean manufacturing.

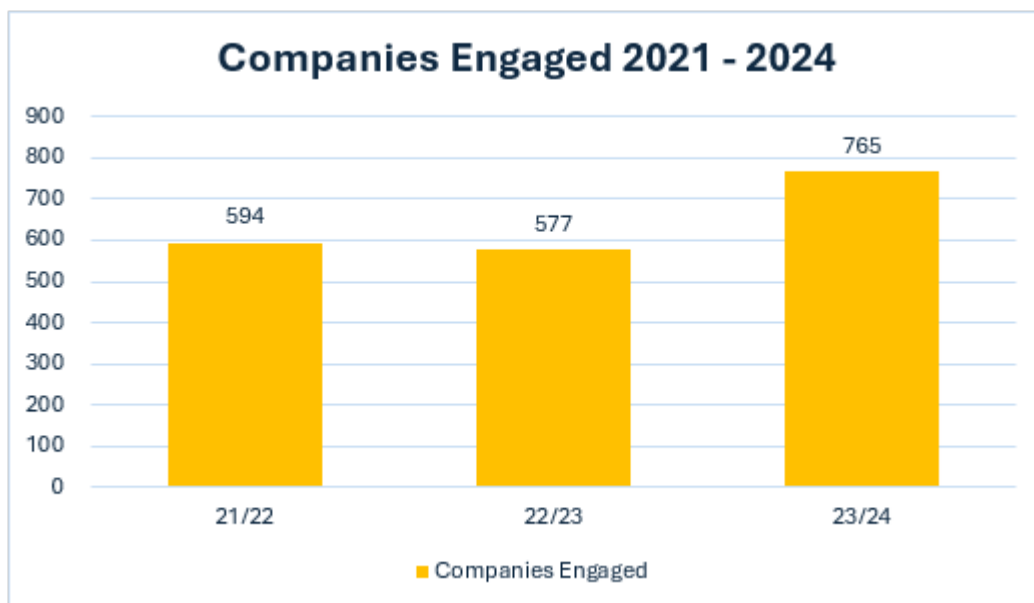


Figure 4

2 members of the Business Support and Innovation (BSI) food innovation specialist team travelled to Transylvania for a Regenerative Hospitality summit, aimed at promoting local and regional supply chains. The team met with other specialists in this field and are planning a new research project with UU based on regenerative practice within Agri-Food, hospitality and tourism which will require collaboration with other partners including councils and Food NI.

COLLEGE ACHIEVEMENTS

College Achievements for 2023-24 are listed below:

- In January 2024, the College launched its first sports academy with Down GAA. The aim of this academy is to enhance student's learning and increase opportunities to gain work experience. The GAA sports academy is in addition to the College's successful volleyball academy.
- In a significant move towards promoting high level advanced manufacturing skills and apprenticeship training across the whole of Ireland, the College signed a Memorandum of Understanding with Louth Meath Education and Training Board (LMETB) in May 2024 to develop and provide advanced manufacturing training interventions.
- The College's Careers Service retained the Matrix Quality Standard.

- The College's Employ Me programme was accepted as the NI exemplar to highlight best practice across all UK funded programmes following year one success.
- The College was awarded 2 awards at the Department for Economy's NI Apprenticeship Awards in March 2024:
 - the 'Mentor Award' in partnership with Almac; and
 - the 'Small to Medium Enterprise Award' in partnership with Irwin M&E.
- In May 2024 the College celebrated completion of the first RCN Cadet programme in NI achieving a full cohort of 22 RCN nursing cadets.
- The Marketing, Communications and Student Recruitment Team received 2 awards at the inaugural Remarkable Marketing Awards 2024 in May 2024, in the following categories:
 - 'Education and Training'; and
 - 'Large Marketing Team.'

STUDENT ACHIEVEMENTS INCLUDING SKILLS COMPETITIONS

The College places significant importance on the use of skills competitions to:

- Bring learning to life and enhance core competences through simulated workplace practices;
- Improve the quality and profile of vocational education;
- Offer greater scope for creativity in teaching, training and learning techniques;
- Build confidence and self-esteem; and
- Provide meaningful and enjoyable learning experiences.

Competitions are used across the College to raise standards in training to world-class levels. As well as building on a student's technical skillset, they are given the opportunity to develop their professional and personal skills. This begins with local intercampus based competitions leading to selection for regional and national competitions.

In Nov 2023 College students secured 12 medals at the WorldSkills UK competition which placed the College at the top of the leaderboard for the second consecutive year.

Most notable student achievements in 2023-24 were:

- A student studying the Level 5 Foundation Degree in Sport and Exercise Science was awarded 'Youth Female of the Year' award in Armagh, Banbridge and Craigavon Council's Junior Sports Awards.
- A recent graduate of the Foundation Degree in Hospitality and Tourism with Specialisms was awarded the 'Student Management Potential Award' at the Institute of Hospitality Northern Ireland Awards for Professionalism in September 2023. Another former student was a finalist in the 'Independent Chef of the Year' category.
- Three construction students were named as medallists at the 2023 SkillBuild National Finals in November in Milton Keynes.
- A School Partnership Programme student at the College was crowned winner at the Springboard's FutureChef competition which saw him progress to represent his county at the regional heats.
- A Media student was successfully accepted for a National Film and Television School Academy Residential with the British Film Industry which he undertook in England in April 2024.

- College students were awarded 9 medals across a range of competitions at Northern Ireland's premiere showcase for the food, drink, hospitality and retail industry, IFEX.
- An Applied Science student secured a place in the coveted United Space School.
- A former carpentry student at the College was awarded a medallion for excellence as part of Team UK at the WorldSkills competition in Lyon in Sept 2024.
- College students secured 8 medals at the annual CITB NI SkillBuild NI Regional final.
- A top performing former student was awarded an All-Ireland Scholarship, funded by JP McManus.
- An A-level student at the college secured first place at the Illuminated Teachings inaugural essay writing competition.
- A Level 3 Professional Cookery student was one of twelve finalists from across the UK in the Gallo Risotto Chef of the Year competition held at the Tottenham Hotspur stadium in North London.
- The College had finalists in three categories; Learner of the Year, Educator of the Year and Centre of the Year; at the NCFE Aspiration Awards.
- 16 College students secured places to compete at the 2024 WorldSkills UK National Finals scheduled to take place in Greater Manchester in November.

STAFF ACHIEVEMENTS

Staff Achievements for 2023-24 are listed below:

- College Hospitality lecturers received the following awards:
 - The coveted title of 'Lecturer of Year' at the Institute of Hospitality Northern Ireland Awards for Professionalism in September 2023.
 - Institute of Hospitality 'Hearts in Hospitality' Award.
- A Health and Social Care lecturer was honoured with an 'Award of Merit' at the Royal College of Nursing annual congress meeting in June 2024 in Newport, South Wales.

FUTURE DEVELOPMENTS

The College will continue to explore the significant external funding opportunities available through externally funded programmes including PEACEPLUS. In 2023-24 the College sought opportunities to participate across the following five PEACEPLUS programmes:

1. EMERGE

The EMERGE Cross Border Skills Corridor Project, led by the College, will enable the development of a strategic approach to the creation of a skills ecosystem which will maximise the growth and inclusion potential within the sub regional area stretching from Belfast along the economic corridor into County Louth. The project will help individuals, including those furthest from the labour market, to develop their skills in an inclusive and supportive environment and help businesses meet their labour and skills needs, adapt to technological change, improve productivity and drive innovation.

2. SECBA

The SECBA project ((South East Cross Border Alliance) led by Dundalk Institute of Technology.

3. GRASP

The GRASP project (Green Accelerator Skills Programme), led by South West Regional College, will enable 8 Further Education and Training (FET) Institutions in the Irish Central Border Area Network

(ICBAN) area, to collaborate with Construction Sector partners to develop a suite of Green Skills qualifications designed to meet increasing demand.

4. CommUNITY

The CommUNITY project, led by the Red Cross, seeks to address the challenges and legacy issues arising from peace and utilise volunteering as a common theme around which people can engage in positive dialogue and community /cross-border action.

5. DS3

The DS3 Project aims to increase cross border collaboration and co-operation engaging civil and business communities in the adoption of ICT solutions in community service delivery and economic activity, thereby creating more connected and sustainable communities.

ESTATE STRATEGY DEVELOPMENTS

The College continues to progress the implementation and delivery of its Estates Strategy which remains a key strategic priority. During 2023-24, the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide strategic governance and oversight with considerable progress being made in the delivery of the projects.

The business case for Armagh, Banbridge and Craigavon campuses has successfully delivered the campuses for Armagh and Banbridge. The College continues to explore and appraise the available options for the delivery of a new campus at Craigavon. An addendum to the outline business case for the Newry Innovation Centre was approved by the Department in July 2024.

FINANCIAL OBJECTIVES

The College has a strong track record of maintaining sound financial management to ensure financial viability and to ensure that the College continues to operate to high standards of corporate governance.

The College's key financial objectives can be summarized as:

- achieving a balanced budget and operating within the resource budget set by the Department for the Economy;
- secure and protect the College budget by maintaining a relevant and meaningful Curriculum;
- maximise College funding and income generation opportunities by supporting local economic development;
- secure appropriate Capital funding to provide a modern fit for purpose estate; and
- comply with the government's targets for prompt payment of undisputed supplier invoices.

PERFORMANCE INDICATORS

The key targets and measures aligned to the College financial objectives for the incoming year include:

- achieving income targets and managing expenditure within the annual college budget plan;
- directing resources in support of a range of functions and services to facilitate delivery of courses and programmes to learners;
- overall satisfactory assurance on the internal control framework and risk management process; and
- continuing to progress the Estates Strategy.

Information on other Key Performance Indicators is set out in the preceding sections of this report.

FINANCIAL RESULTS AND POSITION

FINANCIAL RESULTS

The College financial statements have been prepared in line with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS102).

The financial position for the year ended 31 July 2024 showed an operating deficit for the year of £1.67m compared to the deficit for 2022-23 of £3.29m.

Overall income increased on the previous year by £3.01m with expenditure in 2023-24 increasing by £1.20m. Although the 2023-24 overall financial position included the amount associated with the Voluntary Exit Scheme in 2023-24, these are excluded from the income and expenditure figures and are accounted for as an exceptional item. The College did not have a Voluntary Exit Scheme in 2022-23.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2023-24 72.5% of the College's total income came through allocated recurrent grant (2022-23 73.6%). This represented 15.2% of the total recurrent grant available to the sector (2022-23 15.2%).

At 31 July 2022 Land and Property Services (LPS) undertook a full inspection valuation on the College's Land and Buildings, the valuations were subsequently updated twice a year at March and July in line with indices provided by LPS. The latest update was at July 2024. The indices increased the building valuations by £2.83m. The total net book value of freehold Land and Buildings, excluding assets under construction as of 31 July 2024 was £109.74m (July 2023 £110.78m), with assets under construction totalling £3.26m.

The actuary valuation of the College assets and liabilities within the NILGOSC pension scheme, as at 31 July 2024, resulted in a surplus of £4.72m at 31 July 2023 increasing to £7.77m at 31 July 2024, a movement of £3.05m. The credit to the statement of comprehensive income and expenditure totalled £0.02m. The actuarial gain for the year was £32.79m (2023: £14.24m). However, due to the application of the asset ceiling, the valuation is adjusted to remove the irrecoverable surplus of £2.81m in the year (2023 £4.72m (restated)).

The actuarial gain was mainly driven by:

- a gain on asset returns of £2.88m;
- a change in the demographic assumptions resulted in a gain of £0.40m.

These gains were partially offset by:

- a change in the financial assumptions that resulted in a loss on liabilities of £0.49m.

The pension fund is presented on the statement of financial position as a liability due to the unfunded defined benefit obligation.

The College has total net assets of £81.97m at 31 July 2024 (£81.08m at July 2023).

TREASURY POLICIES AND OBJECTIVES

TREASURY MANAGEMENT

Treasury Management is the management of the College's cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks.

In accordance with the Partnership Agreement between the Department of the Economy and the College², the College should not have surplus funds. At Statement of Financial Position date, the College does not have surplus funds available for investment.

CASH FLOWS AND LIQUIDITY

Cash inflow was £0.51m (2022-23 £1.05m outflow). The College does not have any borrowings, long-term loans, or financing.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998 requires the College, 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 period 1 August 2023 to 31 July 2024, the College paid 98% (98%, 2022-23) of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2023 to 31 July 2024, the College paid 79% (79%, 2022-23) of its invoices within 10 days.

GOING CONCERN

The Southern Regional 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 College's liabilities as they fall due. It has been considered appropriate to adopt a going concern basis for the preparation of the financial statements.

RESOURCES

The College has various resources at its disposal that it can deploy in pursuit of its objectives.

PRINCIPAL RISKS AND UNCERTAINTIES

The College continues to operate and embed systems of internal control, including financial, operational and risk management designed to protect the College's assets and reputation.

The College has in place a comprehensive Corporate Risk Register and a series of operational risk registers, all which form part of the College's internal control and corporate governance

² The Partnership Agreement between the Department of the Economy and Southern Regional College dated 1st February 2024 replaced the Management Statement and Financial Memorandum dated October 2018.

arrangements. During 2023-24 the College continued to embed a cloud-based risk management software to further enhance the system of Internal control providing a complete picture of the College's risk, controls, and assurance environment in real time.

The College's Risk Management Group with overall responsibility for the administration and implementation of the risk management process undertakes a comprehensive review of the risks to which the College is exposed.

The Risk Management Group met regularly throughout the year to review functional area risk registers and to update the Corporate Risk Register as appropriate. The College Development Plan has been cascaded through the different levels in the College and used to inform the identification of risks and risk factors. The Corporate Risk Register facilitates the identification and assessment of those significant risks to the College and emerging risks were added as required during the year and improvement actions and risk indicators monitored on a regular basis. In addition, the Corporate Risk Register is presented at each meeting of the Audit and Risk Committee for review.

Below is a summary of the risks on the Corporate Risk Register during the 2023-24 academic year:

No.	Risk Category	Risk Description
1	Financial and Budgetary Management	Failure to ensure the financial sustainability of the College
2	Business Continuity	Inability to evolve to prevent and respond effectively to Cyber Security/ICT failure
3	Staff, recruitment, retention, and development	Inability of the College to recruit an appropriately skilled workforce
4	Business Continuity	Inability to delivery College Estate Strategy
5	Teaching and Learning	Inability of the College to maintain sustainable student numbers
6	Health and Safety	Inability of the College to maintain the required regulatory and Health and Safety Standard to provide a safe working environment
7	Health and Safety	Inability of the College to effectively ensure the safeguarding of students
8	Governance, Legal and Compliance	Inability to respond to Trade Union Industrial Action
9	Teaching and Learning	Failure to successfully administer and deliver externally funded programmes/projects

Table 7

STAKEHOLDER RELATIONSHIPS

The College has a number of important stakeholders including:

- Students
- The Department for the Economy
- Staff
- Local employers (with specific links)
- Workforce Development Forum
- Sector Skills Councils
- Local schools / Councils
- Elected Representatives
- Local Enterprise Agencies
- Government Offices / Regional Development Agencies
- Local Community
- Other FE Institutions and training organisations
- Universities
- Trade Unions
- Professional bodies

The College recognises the importance of these relationships and engages in regular communication with stakeholders through the College's website, by meetings and participation on a number of external bodies.

The College considers good communication with its staff to be particularly important and regular meetings are held at campus level. The College uses electronic communication, webinars, its intranet, Microsoft Teams and Virtual Learning Environment as the main tools for communicating with all staff. A College electronic newsletter, 'SRCzine', is published monthly and informs staff and students on all College issues including student success stories and activities taking place across all campuses. The Chief Executive updates staff regularly on key developments and initiatives through the use of webinars. The College has a Students' Union including campus-based student councils through which student issues are raised and addressed with College management. The College also encourages staff and student involvement through membership of the Governing Body.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

By virtue of section 75 of the Northern Ireland Act 1998 the college in carrying out all its functions, powers and duties as required having due regard to the need to promote equality of opportunity between:

- Persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- Men and women, generally;
- Persons with a disability and persons without; and
- Persons with dependents and persons without.

Without prejudice to its obligations above, the 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 college has included the promotion of good relations as part of the corporate planning process.

The College is committed to the fulfilment of its section 75 obligations in all parts of the organisation. The 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.

The College also completed its fair employment monitoring return and annual progress review during the reporting year, submitting both to the equality commission during 2023-24.

DISABILITY STATEMENT

The College will carry out its responsibilities under all relevant legislation, regulations and professional guidelines, under the following statutory functions:

- Article 13(2) of the further education (Northern Ireland) order 1997 requires that ‘the governing body of an institution of further education shall have regard to the requirements of persons over compulsory school age, who have learning difficulties;
- Disability Discrimination Act (DDA) 1995 (section 49a and 49b) (as amended by article 5 of the disability discrimination (Northern Ireland) order 2006), requires that when carrying out its functions, colleges are required to have due regard to the need to promote positive attitudes towards people with a disability, learning difficulty or long-term medical condition and encourage participation in public life (‘the disability duties’). Colleges are required to submit a disability action plan to the equality commission to demonstrate this;
- Section 75 of NI act 1998 requires public bodies to have due regard to the need to promote equality of opportunity and to have regard to promoting good relations; and
- FE Colleges are required under the Special Educational Needs And Disability (Northern Ireland) Order 2005 (amended 2006) to make reasonable adjustments for students with learning difficulties and/or disabilities (SLDD), so that they can access provision.

DISCLOSURE OF INFORMATION TO AUDITORS

These accounts are subject to statutory 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 College’s auditors are unaware. Each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College’s auditors are aware of that information.

PERSONAL DATA RELATED INCIDENTS

There was one data incident in 2023-24 which reached the threshold of there being a requirement to report to the Information Commissioner’s Office (ICO). The College disclosed the incident to the ICO, the ICO confirmed that they would not be taking any further action and advised that the College had put in place appropriate containment and mitigation actions in response to the incident.

CHARITABLE AND TAXATION STATUS

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

CHARITABLE/POLITICAL DONATIONS

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

AUDITORS AND PROFESSIONAL ADVISERS	
External Auditors	Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU
Internal Auditors	RSM Northern Ireland (UK) Limited, Number One, Lanyon Quay, Belfast, BT1 3LG (from 1 August 2020)
Bankers	Danske Bank, Corporate Banking, Donegall Square West, Belfast, BT1 6JS Bank of Ireland, 4-8 High Street, Belfast, BT1 2BA
Solicitors	Carson McDowell, Murray House, Murray Street, Belfast, BT1 6DN Cleaver Fulton Rankin, 50 Bedford Street, Belfast, BT2 7FW A&L Goodbody Northern Ireland LLP, 42-46 Fountain Street, Belfast, BT1 5EF

Table 8

MEMBERS

The Members who served on the Governing Body during the year are outlined below:

Name	Date of Appointment	Term of Office	Status of Appointment	Committees Served
Brian Doran Resigned 31/08/23	28/01/2008	31/08/2023	Principal and Chief Executive*	EC, F&GP, SC
Raymond Sloan Resigned 04/02/24	01/09/2023	04/02/2024	Interim Principal and Chief Executive*	EC, F&GP, SC
Lee Campbell ¹	05/02/2024 (Interim)	Present	Principal and Chief Executive*	EC, F&GP, SC
Thomas Moore Chair of GB from 01/08/22	13/01/2022	31/07/2026	GB Chair	EC, SC
Hilary Singleton	13/01/2022	12/01/2026	GB Vice Chair	ARC (Chair), EC
Stuart Harper	29/09/2022	28/09/2026	Member	EC (Chair)
Tracy Strachan	01/08/2021	31/07/2025	Member	F&GP (Chair)
Gary McMurray	13/01/2022	12/01/2026	Member	SC (Chair), F&GP
Nick Harkness	03/10/2022	02/10/2026	Member	F&GP
Laura Milner	13/01/2022	12/01/2026	Member	EC, SC
Eileen Stewart Resigned 21 June 2023	22/06/2016	21/06/2024	Member	SC (Chair), ARC
Angela Whiteside	01/08/2023	31/07/2027	Member	EC
Geraldine Campbell	01/08/2023	31/07/2027	Member	ARC
Monica Kelly	01/08/2023	31/07/2027	Member	F&GP
Patricia McCaffrey	01/08/2023	31/07/2027	Member	ARC, SC
Sean Fitzsimons	01/08/2023	31/07/2027	Member	F&GP
Andrew Sloan	19/06/2024	18/06/2028	Member	ARC
Liz Finnigan	16/11/2023	15/11/2027	Staff Member	EC

SOUTHERN REGIONAL COLLEGE
 STRATEGIC REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2024

Sharon O’Hare	16/11/2023	16/11/2027	Staff Member	ARC
Evie Martin	10/10/2023	30/09/2024	Student Representative	EC
Kieran Swail	16/11/2015	15/11/2023	Staff Member	F&GP
Matthew Turner	16/11/2015	15/11/2023	Staff Member	EC, ARC
Daniela Sanches Egas	03/10/2022	30/09/2023	Student Representative	EC

Table 9

ARC – Audit and Risk Committee

EC – Education Committee

F&GP – Finance and General Purposes Committee

SC – Staffing Committee

*By virtue of office the Principal and Chief Executive is a member of the Governing Body

¹ Mrs L Campbell was Interim Principal and Chief Executive for the period 05/02/24 – 03/09/24

For and on behalf of the members of the Governing Body



Accounting Officer

Date: 10 December 2024

REMUNERATION POLICY

MEMBERS OF THE GOVERNING BODY

Members of the Governing Body and the Chairperson are appointed 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 Chairperson 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 January 2016. There are no arrangements in place for the payment of a bonus. No member of the Governing Body, including the Chairperson, receives a pension contribution from the College or the Department. The College also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

The remuneration of the Chairperson and Board members is as follows:

Name	Salary	Benefits	Pension	Total	Salary	Benefits	Pension	Total
	2023-24	in kind	Benefits	Total	2022-23	in kind	Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Thomas Moore Member	20-25	0	0	20-25	20-25	0	0	20-25
Tracy Strachan Member	5-10	0	0	5-10	0-5	0	0	0-5
Hilary Singleton Member	5-10	0	0	5-10	5-10	0	0	5-10
Gary McMurray Member	0-5	0	0	0-5	0-5	0	0	0-5
Laura Milner Member	0-5	0	0	0-5	0-5	0	0	0-5
Gregory O'Hare Member	0-5	0	0	0-5	0-5	0	0	0-5
Eileen Stewart Member	0-5	0	0	0-5	0-5	0	0	0-5
Kieran Swail Member	0-5	0	0	0-5	0-5	0	0	0-5
Nick Harkness Member	0-5	0	0	0-5	0-5	0	0	0-5
Stuart Harper Member	0-5	0	0	0-5	0-5	0	0	0-5
Monica Kelly Member	0-5	0	0	0-5	0	0	0	0

SOUTHERN REGIONAL COLLEGE
 REMUNERATION AND STAFF REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2024

Name	Salary 2023-24	Benefits in kind 2023-24	Pension Benefit 2023-24	Total 2023-24	Salary 2022-23	Benefits in kind 2022-23	Pension Benefits 2022-23	Total 2022-23
Sean Fitzsimons Member	0-5	0	0	0-5	0	0	0	0
Patricia McCaffrey Member	0-5	0	0	0-5	0	0	0	0
Angela Whiteside Member	0-5	0	0	0-5	0	0	0	0
Geraldine Campbell Member	0-5	0	0	0-5	0	0	0	0
Sharon O'Hare Member	0-5	0	0	0-5	0	0	0	0
Evie White Member	0-5	0	0	0-5	0	0	0	0
Liz Finnigan	0-5	0	0	0-5	0	0	0	0
Scott Alexander Member	0	0	0	0	0-5	0	0	0-5
Aidan McCormick Member	0	0	0	0	0-5	0	0	0-5
Thomas Redmond Member	0	0	0	0	0-5	0	0	0-5
Carla Shields Member	0	0	0	0	0-5	0	0	0-5
Judith Thompson Member	0	0	0	0	5-10	0	0	5-10
Matthew Turner Member	0	0	0	0	0-5	0	0	0-5
Daniela Sanches Egas Member	0	0	0	0	0-5	0	0	0-5

Table 10

THE CHIEF EXECUTIVE AND SECOND TIER OFFICERS (SENIOR STAFF)

The Chief Executive and Second Tier Officer appointments are made in accordance with the College's Recruitment and Selection Policy. The policy requires appointments to be made on merit on the basis of fair and open competition.

The notice period for these post holders is in accordance with their contracts.

MINIMUM PAY LEVELS

Minimum pay levels for senior staff on academic salary scales are dependent on College size and vary across the sector.

PROGRESSION

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

SOUTHERN REGIONAL COLLEGE
 REMUNERATION AND STAFF REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2024

At initial appointment, the Second Tier Officers are normally placed on the bottom point of the four-point scale relevant to the size of the 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 the Second Tier Officers. If the College increases in size, a Second Tier Officer will automatically move to the new relevant salary scale.

PERFORMANCE PAY

There is no performance pay or related scheme for the Chief Executive or Second Tier Officers.

STAFF REPORT (AUDITED INFORMATION)

Total staff costs are as follows:

	2024	2023
	£'000	£'000
Governing body	68	66
Teaching	17,096	17,172
Support	3,941	3,847
Administration	8,705	7,764
Premises	1,097	958
FRS 102 pension adjustment (note 19)	(16)	891
	30,891	30,698
Exceptional staff costs - Voluntary Exit Scheme	496	-
Exceptional staff costs - Provision for annual leave on overtime	2	(2)
Total	31,389	30,696

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

	2024	2023
	No.	No.
Teaching	326	339
Support	111	116
Administration	182	174
Premises	26	24
Total	645	653

The College has not employed any Agency staff during the year.

Further information in respect of staff costs is disclosed in Note 7 to the Financial Statements

STAFF COMPOSITION

The number of staff contracts held was 1,108 (Male 350 and Female 758). In 2022-23 the staff contracts held was 1,046 (Male 314 and Female 732).

SICKNESS/ABSENCE DATA

The sickness/absence was recorded at 3.68% or 7.08 days per FTE based on FTE and work pattern analysis) for 2023-24 (2022-23 was 4.3% or 7.35 days).

STAFF TURNOVER

Staff turnover (excluding Part Time Lecturers) for the year 1 August 2023 to 31 July 2024 was 8.21% (2022-23 was 7.58%).

OFF PAYROLL ENGAGEMENTS

The College has no off-payroll engagements during the year.

EQUALITY OF OPPORTUNITY AND EMPLOYMENT OF DISABLED PERSONS

Equality of Opportunity and Employment of Disabled Persons is included on page 22 of the strategic report.

STAFF DEVELOPMENT

The College is committed to learning and development for all staff which contributes to high standards of work performance, enables the sharing of ideas and the dissemination of good practice, builds strong and effective teams, encourages professional development and results in continuous improvement in the quality of services to our students and stakeholders.

Staff achievements have been included in page 16 of the strategic report.

CONSULTATION/RELATIONSHIP WITH RECOGNISED TRADE UNIONS

During the year the College met with both Academic and Support staff trade unions, namely NIPSA and UCU, the College recognise the importance of consultation with Trade Union colleagues to ensure good relations across the college.

TOTAL REWARD PACKAGE

Senior staff within the College have access to the Northern Ireland Teachers' Pension Scheme (NITPS) or the Local Government Pension Scheme for Northern Ireland (NILGOSC). Senior staff posts are based on 36 hours per week and post holders have access to the College employment related policies including, Maternity Leave Scheme, Paternity Leave Scheme and Adoption Leave Scheme and flexible working arrangements.

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

SENIOR STAFF PAY AWARD

The rates of salaries for senior staff in Colleges of Further Education from 1 September 2021 and September 2022 were published on 10 November 2023. The pay award due at 1 September 2023 was agreed on 25 October 2024.

The balance due to senior staff has been accrued in staff costs for the year ended 31 July 2024.

LECTURING STAFF PAY AWARD

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2023 were published on 5th June 2024. The September 2023 pay award, including arrears, was paid in June 2024.

SUPPORT STAFF PAY AWARD

The National Joint Council (NJC) have agreed the pay award for support staff effective 1 April 2024, the business case seeking approval to implement the agreement is in progress. The balance due to support staff has been accrued in staff costs for the year ended 31 July 2024.

EMPLOYMENT CONTRACTS

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 would result in the individual being entitled to receive compensation.

SALARY AND PENSION ENTITLEMENTS (AUDITED)

The following section provides details of the remuneration and pension interests of the most senior management of the College.

Name	Salary 2023-24	Benefits in kind 2023-24	Pension Benefits 2023-24	Total 2023-24	Salary 2022-23	Benefits in kind 2022-23	Pension Benefits 2022-23	Total 2022-23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brian Doran Chief Executive ³	20-25 *	0	0	20-25	115-120	0	150-155	265-275
Lee Campbell ⁴ Chief Executive/ Director	55-60 * 45-50**	0	30-35	135-140	n/a 80-85	n/a 0	n/a 20-25	n/a 100-105
Raymond Sloan ⁵ Chief Executive/ Director	50-55 * 55-60**	0	0	50-55 55-60	n/a 85-90	n/a 0	n/a 0	n/a 85-90
Libby Shackels Director	85-90	0	165-170	250-260	80-85	0	0	80-85
Keith Kilpatrick ⁶ Director	0	0	0	0	5-10	0	0	5-10
Joanne McGuigan Director ⁷	35-40**	0	30-35	65-70	n/a	n/a	n/a	n/a
Ann Marie Hughes ⁸ Director	30-35**	0	0	30-35	n/a	n/a	n/a	n/a

Table 11

³ Retired 31/08/23

⁴ Interim Principal and Chief Executive from 05/02/24

⁵ Interim Principal and Chief Executive 01/09/23 – 04/02/24

⁶ Retired 31/07/22

⁷ Interim Director of Finance and Planning from 26/02/24

⁸ Interim Director of Client Services 01/09/23 – 04/02/24

* 115 – 120 full year equivalent

** 85 - 90 full year equivalent

FAIR PAY DISCLOSURE – PAY RATIOS

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 salary remuneration of the highest-paid director in the College in the financial year 2023/24 was £115-120k (2023: £115-120k). To ensure no impact on comparability, this banded figure does not include the payment for annual leave upon retirement.

The relationship between the mid-point of this band and the remuneration of the College’s workforce is disclosed below:

	2023-24	2022-23
	£’000	£’000
Band of highest paid directors’ total remuneration	115-120	115-120
25 th percentile	23,893	21,575
Ratio*	5.0	5.4
Median total remuneration	34,088	27,541
Ratio*	3.5	4.2
75 th percentile	39,495	34,812
Ratio*	3.0	3.4

Table 12

Total remuneration includes salary, non-consolidated payments, and benefits-in-kind. It does not include severance/redundancy payments, employer pension contributions, payments in respect of unused annual leave, accrued payments, nor the cash equivalent transfer value of pensions.

The 25th percentile, median and 75th percentile remuneration values consist solely of salary payments.

Remuneration ranged from £20k-£25k to £115k-£120k (2023: £20k-£25k to £115k-£120k).

SALARY

‘Salary’ includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowance and any other allowances to the extent that it is subject to UK taxation.

BENEFITS IN KIND

Senior post holders receive no non-cash benefits (benefits in kind).

PENSION ENTITLEMENTS

Name	Accrued pension at pension age as at 31/7/24 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/07/24	Value of CETV at 31/07/23	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Brian Doran (Chief Executive) Retired 31/08/23	0	0	0	1,607	n/a
Lee Campbell (Chief Executive)	0-5 plus lump sum of 0	0	67	37	30
Raymond Sloan (Director)	0	0	0	0	n/a
Libby Shackels (Director)	30-35 plus lump sum 90-95	0	862	614	248
Joanne Mc Guigan (Director)	15-20 plus lump sum of 0	0-5	314	276	27

Table 13

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). These are defined benefit schemes, which were externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS) until 31 March 2016.

Contributions to the NITPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. The NITPS is a multi-employer scheme, and the 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

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.

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 2023 and therefore the DBO calculated at 31 July 2023 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 DBO) has been included in the past service cost recognised in the year ended 31 July 2022. The Defined Benefit Obligation at 31 July 2023 also includes this allowance. No further allowance has been proposed 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 and 2015. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. 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.

ENHANCED PENSIONS

The actual cost of any enhanced ongoing pension to a former member of staff, is paid by the College annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's Statement of Comprehensive Income and Expenditure account in the year that the member of staff retires. In subsequent years, a charge is made to provisions in the Statement of Financial Position using the enhanced pension spreadsheet provided by the LSC (or equivalent tool).

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 NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETV's are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 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 valuations factors for the start and end of the period.

All elements of this report are subject to audit.

This Assembly Accountability Disclosure Note provides our disclosure requirements under Managing Public Money NI:

LOSSES

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 24.

SPECIAL PAYMENTS

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 24.

REMOTE CONTINGENT LIABILITIES

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.

STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND GOVERNING BODY

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 Southern Regional 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 DfE with the approval of DoF, 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 judgments 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 DfE has designated the Principal/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 DoF.

The Accounting Officer, on behalf of the Governing Body, has taken all the steps ought to have taken to make herself aware of any relevant audit information and to establish that Southern Regional 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 CONTROL

INTRODUCTION

This Statement of Corporate Governance and Internal Control sets out the governance structures, risk management system and the internal control procedures that operated within the Southern Regional College during the financial year ended 31 July 2024 and up to the date of approval of the Annual Report and Accounts.

It describes the manner in which the College has complied with guidance from the Department of Finance (DoF) and the Department for the Economy, (DfE) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

GOVERNANCE FRAMEWORK

The Southern Regional College is a Non-Departmental Public Body within the budget responsibility and ambit of the Department for the Economy and is an incorporated body whose legal status derives from the Further Education (Northern Ireland) Order 1997. The College operates within a strong framework of regulation, including an instrument of government, articles of government, and the Partnership Agreement between the Department for the Economy and the College. In terms of governance, all other documents are subordinate to the Further Education (Northern Ireland) Order 1997 and subject to its provisions.

Not only does the College comply with all mandatory requirements including compliance with the Corporate Governance Framework but it also strives to operate that guidance which represents best practice. The purpose of this Statement is to help the reader of the Annual Report and Accounts to obtain an understanding of the governance principles and how they have been applied within the College. The key elements of the governance framework, structures, roles and responsibilities that operates within the College are set out below.

CORPORATE GOVERNANCE AND REGISTER OF INTERESTS

The Southern Regional College takes cognisance of and complies with a range of guidance and best practice including:

- Managing Public Money (Northern Ireland);
- Department for the Economy and Department of Finance guidance including the Guide for Governors of Further Education Colleges;
- Accounting Officer guidance on accountability, regularity and propriety issued by the Department of Finance;
- The Nolan Principles; and
- Good Governance Standards and codes of practice for public services.

A register of interests is maintained and conflicts of interest, or potential conflicts of interest, are declared and recorded by Chairs of Committees and at other meetings.

GOVERNING BODY

The College's Governing Body comprises members appointed by the Minister for the Economy, staff, and students of the College, the Chief Executive Officer (CEO) and members co-opted by the Governing Body.

The role of the Chair of the Governing Body is separate and distinct from the role of the Chief Executive who is the designated Accounting Officer of the College. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Chief Executive and the Executive Team are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. Governing Body and committee meetings took place through a combination of face to face and Microsoft Teams. The Governing Body met on nine occasions during the 2023-24 year and is supported by a number of committees, including the Staffing Committee, Finance and General Purposes Committee, Education Committee and the Audit and Risk Committee. All these committees are formally constituted with terms of reference and comprise mainly members of the Governing Body.

Minutes of Governing Body meetings are available from the secretary of the Governing Body or on the College website. The secretary to the Governing Body maintains a register of financial and personal interests for the Governing Body members and this is also available for inspection. The business of the Governing Body is formally planned, and agendas, papers and reports are supplied to members in a timely manner. Members receive payment in line with guidance from the Department on the arrangements for payment of Governing Body Chairs and Members.

The Governing Body and each Committee individually and collectively undertakes an annual process of self-evaluation and a review of performance and effectiveness, including the quality of information and reports presented to them. In addition, minutes and reports of all Committees are presented at Governing Body meetings.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2023-24 year is shown in the table below. In total, there were twenty-five meetings of the Governing Body and its sub committees during 2023-24. Average Member attendance recorded at Governing Body meetings during 2023-24, excluding staff and student representatives was 92.92% (85.8% for 2022-23).

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee operates as an advisory body to the Governing Body and the Accounting Officer and is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication for the College's auditors, which is independent of College management. It has a responsibility to ensure that adequate arrangements are in place to promote economy, efficiency, and effectiveness. The Audit and Risk Committee promotes high standards of propriety, accountability and financial management within the College and ensures that effective risk management processes are embedded and operating.

The Committee met four times during the 2023-24 year to discuss reports from the External and Internal Auditors and the relevant responses. The College's Internal Auditors and External

Auditors were represented at all Audit and Risk Committee meetings. The Committee also receives and considers any reports from the Department for the Economy and reviews the annual financial statements to ensure compliance with legislation and accounting standards. Whilst Executive Officers and other officials attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee can meet with both the internal and external auditors on their own for independent discussions.

FINANCE AND GENERAL PURPOSES COMMITTEE

The Finance and General Purposes Committee has oversight of all matters relating to the finance and accounts of the College and the receipt of its income and expenditure. The main business of the Finance and General Purposes Committee is to monitor, determine and advise the Governing Body on the College's solvency, recommend for approval the annual estimate of income and expenditure, and monitor performance in relation to the approved budget. During 2023-24 the Committee also considered updates on the Estates projects, the annual review on the Health and Safety policy and statement, business cases for approval, and a number of policies including the fees policy and the annual schedule of fees. The Committee also considers other matters as the Governing Body may from time-to-time remit to it. The Committee met on four occasions during the 2023-24 year.

STAFFING COMMITTEE

The Staffing Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior management. Over the course of the year the work of the Committee also included receiving the annual key performance indicator report, monitoring the delivery of the Employee Development plan, reviewing performance measures, monitoring a new plan for the following year and receiving an update on Investors in People (IIP). The Committee met on three occasions during 2023-24.

EDUCATION COMMITTEE

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve. In particular, it considers the impact of strategic proposals, the broader educational environment and current and topical issues that have the potential to impact on educational, vocational and curricular provision. The Committee met on five occasions during 2023-24.

SOUTHERN REGIONAL COLLEGE
 STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
 FOR THE YEAR ENDED 31 JULY 2024

	Governing Body	Audit and Risk Committee	Finance and General Purposes Committee	Education Committee	Staffing Committee
No. of meetings held:	8	4	4	5	3
Brian Doran (Former Chief Executive)	1	-	-	-	-
Raymond Sloan (Interim Chief Executive) 01/09/23 to 04/02/2024	4	2	2	3	2
Lee Campbell (Interim Principal and Chief Executive) 05/02/2024 to 03/09/2024 (Principal and Chief Executive) 04/09/2024 to present	2	2	2	2	1
Thomas Moore	8	3	4	5	3
Hilary Singleton	8	4	-	5	-
Stuart Harper	8	-	-	5	-
Tracy Strachan	8	-	4	-	-
Gary McMurray	7	-	4	-	3
Nick Harkness	7	-	4	-	-
Laura Milner	7	-	-	5	3
Eileen Stewart	6	4	-	-	3
Angela Whiteside	7	-	-	5	-
Geraldine Campbell	7	3	-	1	-
Monica Kelly	7	-	4	-	-
Patricia McCaffrey	8	4	-	-	3
Sean Fitzsimons	7	-	4	-	-
Andrew Sloan – observer status	2	1	-	-	1
Liz Finnigan (Teaching Staff Representative) From 16/11/2023	2	-	-	4	-
Sharon O’Hare (Support Staff Representative) From 16/11/2023	2	2	-	-	-
Evie Martin (Student Representative) From 10/10/2023 to 30/09/2024	2	-	-	3	-
Kieran Swail (Support Staff Representative) Until 15/11/2023	2	-	1	-	-
Matthew Turner (Teaching Staff Representative) Until 15/11/2023	2	1	-	1	-
Daniela Sanches Egas (Student representative) Until 30/09/2023	-	-	-	-	-

Table 14

In conclusion the Governing Body and its Committees met on a regular basis to review and monitor performance against business objectives and to provide security and oversight of management decisions. The Governing Body continues to review and strengthen its corporate governance arrangements in line with government guidance, audit recommendations and best practice.

CHIEF EXECUTIVE AND ACCOUNTING OFFICER AND THE SENIOR MANAGEMENT TEAM

The Chief Executive as Accounting Officer exercises considerable influence upon the development of strategy, the identification and planning of new developments and the shaping of the College ethos. The Chief Executive is supported in this role by an Executive Team comprising of 3 Executive Directors; the Director of Finance and Planning, the Director of Client Services, and the Director of Curriculum. In addition to the Executive Team, there is a Senior Management Team (SMT) that comprises the Chief Executive, the Executive Team, six Assistant Directors, four Heads of Faculty and two Heads of Department. The Executive Team and the Senior Management Team meet on a regular basis to discuss, review and progress a range of strategic and operational matters.

The Chief Executive is the designated Accounting Officer of the College and has responsibility for maintaining a sound system of internal control and risk management that supports the College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and College assets for which the Accounting Officer is personally responsible, in accordance with the responsibilities assigned to them in Managing Public Money Northern Ireland. In the capacity as Accounting Officer, they can be summoned to appear before the Public Accounts Committee of the Northern Ireland Assembly.

RISK MANAGEMENT

Risk management policies and processes are well embedded within the College's corporate governance framework and are closely linked with the College Development Plan and performance management processes.

The robust risk management process 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.

There are a number of key roles within the Risk Management process, and these are described below:

1. **Governing Body** – which has defined the strategic approach, encourages a culture of Risk Management within the College and during 2023-24 monitored, primarily through the Audit and Risk Committee, that significant risks were being managed;
2. **Audit and Risk Committee** – which has specific responsibility, delegated to it by the Governing Body, for oversight of the system of Internal Control, including the College's approach to Risk Management. The Audit and Risk Committee met on four occasions during the year and reviewed the corporate risk register and the actions plans to control and mitigate potential risks; and
3. **Risk Management Group** – This group is chaired by the Chief Executive and comprises the Director of Finance and Planning, the Director for Curriculum and the Director of Client

Services. The Risk Management Group has overall responsibility for the administration and implementation of the Risk Management process in the College.

Each of the Executive Directors manage and control Functional Risk Registers within their Directorate. In total, there are fourteen functional area Risk Registers, these are regularly reviewed by the Director and presented to the Risk Management Group to inform and update the corporate risk register.

INTERNAL AUDIT

Internal Audit is a key element that contributes to the effectiveness of risk management, control and governance processes within the College. In line with Public Sector Internal Audit Standards (PSIAS) a three-year Internal Audit Strategy is in place and flowing from this the Internal Audit Operational Plan for 2023-24 saw the completion of a programme of work that provided Satisfactory assurance in 4 areas. A summary of the internal audit work and the assurance ratings for each is included below:

Internal Audit Operational Plan and Assurance Ratings 2023-24	
Area Reviewed:	Assurance Rating:
Human Resources - Absence Management	Satisfactory
Estates – Responsive Repairs and Maintenance	Satisfactory
Safeguarding	Satisfactory
Training Assistance Management System (TAMS)	Satisfactory
Data Protection - GDPR	Advisory

Table 15

Follow-up reviews conducted during 2023-24 indicated continued satisfactory progress with implementing outstanding recommendations. There were no priority 1 recommendations.

Based on the work performed during 2023-24 Internal Audit has provided a satisfactory assurance over the internal control environment at Southern Regional College as at the year-end.

ASSURANCE STATEMENTS

Southern Regional College provides a mid-year and an annual assurance statement to the Department.

INFORMATION ASSURANCE

Effective information security is a key priority for the College, and it recognises that appropriate principles of information security must be applied to the information it holds. A framework has been established including policies and procedures that identify key roles and responsibilities and the monitoring and reporting processes to be followed. Processes and controls over information are regularly reviewed to ensure compliance with best practice and current legislation. There was one incident reported during 2023-24 where the processing of personal data did not comply with

Data Protection requirements. The College disclosed the incident to the Information Commissioner's Office, the ICO confirmed that they would not be taking any further action and advised that the College had put in place appropriate containment and mitigation actions in response to the incident.

FRAUD REPORTING

The College has a detailed Anti-Fraud Policy and Fraud Response Plan, which is revised and updated on a regular basis. The Anti-Fraud 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. The Anti-Fraud Policy is included as mandatory training for all staff.

The College reports all suspected or detected frauds to the Department for the Economy in line with the Partnership Agreement between the Department for the Economy and the College. During 2023-24 there was one report of suspected Fraud, the investigation is ongoing.

PUBLIC INTEREST DISCLOSURE

The College has a Public Interest Disclosure (whistleblowing) Policy which is subject to periodic review and updated as necessary. The Policy provides individuals with a process to facilitate the reporting of concerns and suspected wrongdoing within the College and highlights the protection afforded to those who disclose concerns under the Public Interest Disclosure (NI) Order 1998. The College has a mandatory training module in place which all staff must complete. During 2023-24 the College received no disclosures under the Whistleblowing (Public Interest Disclosure) Policy.

EVENTS AFTER THE REPORTING PERIOD

In October 2024 the Northern Ireland College Employers Forum approved the pay award for senior staff effective from 1 September 2023. In November 2024 the NJC agreed the pay award for support staff, effective from 1 April 2024. An adjustment has been made to reflect these agreements in the financial statements of the College.

SIGNIFICANT GOVERNANCE ISSUES

The review of the effectiveness of the systems and processes that comprise the governance framework demonstrates that governance arrangements within Southern Regional College are operating effectively. There are no significant internal control or non-compliance issues to report in respect of the 2023-24 financial year.



Accounting Officer

Date: 10 December 2024

Opinion on financial statements

I certify that I have audited the financial statements of Southern Regional College for the year ended 31 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 Statements of: Comprehensive Income and Expenditure, Changes in Reserves, Financial Position, 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 and Staff 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 Southern Regional College's affairs as at 31 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 this certificate.

My staff and I are independent of the 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, the College obtained revised actuarial valuations which showed that the pension asset disclosed in the 2022-23 financial statements had been overstated by £4.714 million. I draw attention to Note 25 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 the 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 the College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the College is adopted in consideration of the requirements set out in the Government 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 report.

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration and Staff 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.

I have nothing to report in this regard.

Opinion on other matters

In light of the knowledge and understanding of the 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 and Staff 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 are 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 and Staff 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 Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the College will not continue to be provided in the future.

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 the College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included 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 the 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 the 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 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 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; and
- investigating significant or unusual transactions made outside of the normal course of business;
- 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. 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

17 December 2024

SOUTHERN REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2024

	Notes	2024 £'000	Restated 2023 £'000
INCOME			
Department for the Economy income	1	42,071	39,351
Education contracts	2	4,820	4,403
Tuition fees and charges	3	1,886	1,910
Other grant income	4	313	567
Other operating income	5	1,456	1,446
Investment Income	6	263	120
Total income		50,809	47,797
EXPENDITURE			
Staff costs	7	(30,891)	(30,698)
Other operating expenses	9	(15,993)	(14,799)
Depreciation, amortisation and impairment	12,13	(5,408)	(5,283)
Interest and other finance costs	10	-	(311)
Total expenditure		(52,292)	(51,091)
Deficit before exceptional items		(1,483)	(3,294)
Exceptional DfE grant – Voluntary Exit Scheme	1	295	-
Exceptional staff costs - Voluntary Exit Scheme	7	(496)	-
Exceptional staff costs - Provision for annual leave on overtime	7	(2)	2
Total exceptional items		(203)	2
Deficit before other losses		(1,686)	(3,292)
Deficit before tax		(1,686)	(3,292)
Taxation	11	-	-
Deficit for the year		(1,686)	(3,292)
Unrealised surplus on revaluation of land and buildings	12	2,591	8,391
Actuarial gain in respect of pension scheme	19	2,793	14,240
Irrecoverable surplus on pension scheme	19	(2,809)	(4,719)
Total comprehensive income and expenditure for the year		889	14,620
Represented by:			
Unrestricted comprehensive income and expenditure for the year		889	14,620
		889	14,620

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

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

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2024

	Income and expenditure account			Revaluation Reserve	Total
	Unrestricted (excluding Pension)	Pension Reserve	Unrestricted (including Pension)		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	17,232	(8,324)	8,908	57,553	66,461
Deficit from Statement of Comprehensive Income and Expenditure	(2,090)	(1,202)	(3,292)	-	(3,292)
Other comprehensive expenditure	-	14,240	14,240	8,391	22,631
Irrecoverable surplus on pension scheme	-	(4,719)	(4,719)	-	(4,719)
Transfers between revaluation and income and expenditure account	3,218	-	3,218	(3,218)	-
Balance at 1 August 2023 (Restated)	18,360	(5)	18,355	62,726	81,081
Deficit from Statement of Comprehensive Income and Expenditure	(1,702)	16	(1,686)	-	(1,686)
Other comprehensive income/(expenditure)	-	2,793	2,793	2,591	5,384
Irrecoverable surplus on pension scheme	-	(2,809)	(2,809)	-	(2,809)
Transfers between revaluation and income and expenditure account	2,678	-	2,678	(2,678)	-
Total comprehensive (expenditure)/income for the year	976	-	976	(87)	889
Balance at 31 July 2024	19,336	(5)	19,331	62,639	81,970

SOUTHERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2024

	Notes	2024 £'000	Restated 2023 £'000
Non-current assets			
Tangible fixed assets	12	116,338	117,945
Intangible fixed assets	13	174	251
Total non-current assets		116,512	118,196
Current assets			
Trade and other receivables	14	2,319	3,237
Cash and cash equivalents	18	3,433	2,928
Total current assets		5,752	6,165
Less: Creditors - amounts falling due within one year	15	(4,719)	(7,051)
Net current assets/(liabilities)		1,033	(886)
Total assets less current liabilities		117,545	117,310
Less: Creditors - amounts falling after more than one year	16	(35,427)	(36,083)
Provisions			
Pensions	17	(5)	(5)
Provisions for liabilities and charges	17	(143)	(141)
Total provisions for liabilities and charges		(148)	(146)
Net assets including pension liability		81,970	81,081
Unrestricted reserves			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		19,336	18,360
Pension reserve		(5)	(5)
Income and expenditure account – unrestricted reserves (including pension reserve)		19,331	18,355
Revaluation reserve		62,639	62,726
Total reserves		81,970	81,081

The financial statements on pages 50-78 were approved by the Governing Body of Southern Regional College on 10 December 2024 and were signed on its behalf on that date by:

Mrs L Campbell
Accounting Officer



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

SOUTHERN REGIONAL COLLEGE
CASH FLOW STATEMENT
FOR YEAR ENDED 31 JULY 2024

	Notes	2024 £'000	2023 £'000
Cash outflow from operating activities			
Deficit for the year		(1,686)	(3,292)
Adjustment for non-cash items			
Depreciation	12	5,275	5,204
Gain on disposal of assets		31	776
Adjustment for impairment below cost	12	56	2
Decrease/(Increase) in receivables less than one year	14	918	(336)
Decrease in payables less than one year	15	(2,332)	(1,423)
Decrease in payables more than one year	16	(656)	(216)
Amortisation of Intangible asset	13	77	77
Use of other provisions	17	2	(2)
NILGOSC FRS 102 Pension adjustment	19	(16)	1,202
Adjustment for investing or financing activities			
Proceeds on disposal of fixed assets		20	1,168
Investment income	6	(263)	(120)
Net cash inflow from operating activities		1,426	3,040
Cash flows from investing activities			
Proceeds from sales of fixed assets		(20)	(1,168)
Payments made to acquire tangible fixed assets	12	(1,164)	(3,038)
Investment Income		263	120
Net cash outflow from investing activities		(921)	(4,086)
Increase/(Decrease) in cash and cash equivalents in the year			
Net funds at 1 August		2,928	3,974
Net funds at 31 July		3,433	2,928

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

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.

BASIS OF PREPARATION

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). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102. The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amount. They also 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.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the 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 notes to the financial statements. 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 19.

PROPERTY, PLANT AND EQUIPMENT

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, including irrecoverable VAT, as the open market value for existing use is not readily obtainable. Freehold buildings are depreciated over their expected useful economic life to the College as advised by the 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.

GOING CONCERN

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

The College currently has no borrowings. The College's forecasts and financial projections indicate that it will not require any borrowings for the foreseeable future.

The 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 College's liabilities as they fall due. It has accordingly been considered appropriate to adopt the going concern basis for the preparation of these financial statements.

RECOGNITION OF INCOME

GOVERNMENT GRANTS [ACCRUALS MODEL]

The recurrent grant and other revenue grants received from DfE (and other government bodies) are recognised in income over the periods in which the 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.

TUITION FEES

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

NON-GOVERNMENT GRANTS

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.

INTEREST

All income from short term deposits is credited to the income and expenditure account in the year in which it is earned.

CAPITAL GRANTS (NON-LAND GRANTS) [ACCRUALS MODEL]

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

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

CAPITAL GRANTS (LAND) [PERFORMANCE MODEL]

Capital grants (land) are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the College is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

PENSION SCHEME

The two principal pension schemes for the College's staff are the Northern Ireland Teacher's 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.

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 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 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 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 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 College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the College are charged to the Statement of Comprehensive Income and 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 (inclusive of non-recoverable VAT) when the open market value for existing use is not readily obtainable, or existing use value when the open market value is available. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost 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. Properties that are surplus to requirements are valued on the basis of market value. 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 are depreciated over their expected useful economic life to the College as advised by the Land and Property Services. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

ASSETS UNDER CONSTRUCTION

Assets under construction were accounted for at cost based on the value of architects' certificate and other direct costs, incurred to 31 July 2024. They are not depreciated until they are brought into use.

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 statement of consolidated income and expenditure 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 as follows:

Computers	-	three years straight line or over their useful economic lives
Fixtures and Fittings	-	five years straight line or over their useful economic lives
Motor vehicles	-	four years straight line or over their useful economic lives
Plant and equipment	-	five years straight line or over their useful economic lives

Where these assets are acquired with the aid of specific grants these are accounted for in accordance with the revenue recognition policies above.

LEASED ASSETS

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

Leasing agreements, which transfer, to the College's substantial 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.

INTANGIBLE ASSETS

Intangible assets, greater than £3,000 per individual item, are capitalised. Software integral to an item of hardware is 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, the College benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest, and rents.

The College is exempted from levying VAT on most of the services it provides to students. For this reason, the 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 the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

INVESTMENTS

Investments include sums on short-term deposits with major UK financial institutions regulated by the Financial Conduct Authority and Prudential Regulation Authority.

CASH AND CASH EQUIVALENTS

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Investments would only be included in this total where the period of deposit is less than three months.

TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at cost less any bad or doubtful debt impairment. An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful. Such receivable becomes doubtful when there is objective evidence that the College will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and delinquency in payments are considered indicators that the receivable is impaired.

TRADE PAYABLES

The College makes its payments to creditors, where the amount is not disputed, within 30 days. The College aims to make payments as quickly as possible and within 10 working days.

PROVISIONS

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

AGENCY ARRANGEMENTS

The College acts as an agent in the collection and payment of Hardship Funds. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in Note 24. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.

The College acts as an agent in the collection and payment of Care to Learn Grants. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and are shown separately in Note 24. The College administers the payments in line with the recommendations from DfE.

In Accordance with Section 50 of the UK Internal Market Act 2020 (UKIM), the College acts as an agent in the receipt and distribution of payments to delivery partners on the Employ Me programme, funded from the UK Shared Prosperity Fund. The receipts from the Department of Levelling Up, Housing and Communities (DLUHC) and subsequent disbursements to partners are excluded from the Statement of Comprehensive Income and are shown separately in Note 23. The College disperses the funding in respect of the partners in line with the requirements of the UK Shared Prosperity Fund requirements.

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. The College's financial assets and liabilities all meet the criteria for basic financial instruments, prescribed within FRS 102 Section 11.8.

IMPENDING APPLICATION OF NEWLY ISSUED ACCOUNTING STANDARDS NOT YET EFFECTIVE

There are no impending newly issued accounting standards to be considered by the College.

SOUTHERN REGIONAL COLLEGE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 JULY 2024

1. DEPARTMENT FOR THE ECONOMY INCOME

	2024	2023
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	36,847	35,187
Release of unrestricted capital grants	2,164	2,207
Total grant in aid received from DfE	<u>39,011</u>	<u>37,394</u>
Non-grant in aid received from DfE		
Education maintenance allowance administration (EMA)	18	19
Higher level apprenticeships	1,262	990
Other non-grant in aid	1,780	948
Total non-grant in aid received from DfE	<u>3,060</u>	<u>1,957</u>
Total grant received from DfE excluding exceptional items	42,071	39,351
Exceptional DfE grant – Voluntary Exit Scheme	295	-
Total DfE income	<u>42,366</u>	<u>39,351</u>

2. EDUCATION CONTRACTS

	2024	2023
	£'000	£'000
Entitlement framework	984	1,023
Apprenticeships NI	3,836	3,380
Total	<u>4,820</u>	<u>4,403</u>

3. TUITION FEES AND CHARGES

	2024	2023
	£'000	£'000
Higher education (HE)	951	916
Home and other European Union	935	994
Total	<u>1,886</u>	<u>1,910</u>

The HE fees above include amounts to fund bursaries payable to eligible HE students of £18k (2023: £22k)

4. OTHER GRANT INCOME

	2024	2023
	£'000	£'000
European funds	33	156
Other funds	280	411
Total	<u>313</u>	<u>567</u>

5. OTHER OPERATING INCOME

	2024	2023
	£'000	£'000
Catering and residence operations	827	733
Other income generating activities	579	603
Other income	50	110
Total	1,456	1,446

6. INVESTMENT INCOME

	2024	2023
	£'000	£'000
Bank interest receivable	263	120
Total	263	120

7. STAFF COSTS

	2024	2023
	£'000	£'000
Governing body	68	66
Teaching	17,096	17,172
Support	3,941	3,847
Administration	8,705	7,764
Premises	1,097	958
FRS 102 pension adjustment (note 19)	(16)	891
	30,891	30,698
Exceptional staff costs - Voluntary Exit Scheme	496	-
Exceptional staff costs - Provision for annual leave on overtime	2	(2)
Total	31,389	30,696
Wages and salaries	23,687	22,692
Social security costs	2,267	2,208
Apprentice Levy	108	92
Pension cost	5,327	5,704
Total	31,389	30,696

There were no payroll costs capitalised during the year.

In September 2023, in response to budgetary pressures, it was announced that the College may need to reduce its staffing complement in 2023-24 academic year. In June 2024, 6.03 FTE exited the College.

7. STAFF COSTS (continued)

	Senior post-holders		Other staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £70,000	-	-	36	23
£70,001 to £80,000	-	-	26	8
£80,001 to £90,000	-	1	8	6
£90,001 to £100,000	1	-	2	-
£100,001 to £110,000	2	2	2	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	1	-	-	-
£140,001 to £150,000	-	1	-	-
Total	4	4	74	37

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the College Governing Body and Executive Team, which comprises the Chief Executive and three Directors.

	2024	2023
	No.	No.
The number of senior post-holders including the Chief Executive was:	4	4

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

	2024	2023
	£'000	£'000
Salaries	393	374
Benefits in kind	-	-
Pension contributions	68	72
Total emoluments	461	446

The above emoluments include amounts payable to the Chief Executive (who is also the highest paid senior post-holder) of:

	2024	2023
	£'000	£'000
Salaries	130	117
Benefits in kind	-	-
	130	117
Pension contributions	19	29
Total	149	146

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

9. OTHER OPERATING EXPENSES

	2024	2023
	£'000	£'000
Direct teaching	1,767	1,982
Direct support	3,053	3,012
Administration	3,044	2,642
Premises	8,129	7,163
Total	15,993	14,799

Other operating expenses include:

	2024	2023
	£'000	£'000
Auditors' remuneration:		
Financial statements audit	40	34
Internal audit	22	18
Other services provided by the financial statement's auditors (National Fraud Initiative exercise)	-	1
Hire of plant and equipment assets – operating leases	135	125
Hire of other assets – operating leases	-	-

10. INTEREST AND OTHER FINANCE COSTS

	Note	2024	2023
		£'000	£'000
Net charge on pension scheme	19	-	311
Total		-	311

11. TAXATION

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

12. TANGIBLE FIXED ASSETS

	Land & buildings	Assets under construction	Plant & equipment	Computer	Fixtures & fittings	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 August 2023	114,267	3,015	8,782	5,182	1,521	293	133,060
Additions	179	247	227	511	-	-	1,164
Surplus on Indexation	2,831	-	-	-	-	-	2,831
Impairment below cost adjustment	(240)	-	-	-	-	-	(240)
Disposals	-	-	(144)	(174)	-	-	(318)
At 31 July 2024	117,037	3,262	8,865	5,519	1,521	293	136,497
Depreciation							
At 1 August 2023	3,485	-	5,911	4,216	1,249	254	15,115
Charge for the year	3,755	-	815	549	134	22	5,275
Disposals	-	-	(113)	(174)	-	-	(287)
Impairment adjustment	56	-	-	-	-	-	56
At 31 July 2024	7,296	-	6,613	4,591	1,383	276	20,159
Net book value at 31 July 2024	109,741	3,262	2,252	928	138	17	116,338
Net book value at 31 July 2023	110,782	3,015	2,871	966	272	39	117,945

REVALUATION

Land and buildings were subject to a full revaluation at 31 July 2022. This was a full 5 yearly asset valuation exercise, and as such, a full inspection of all assets was undertaken. The valuations were subsequently updated twice a year at March and July in line with indices provided by LPS. The latest update was at July 2024.

Premises at 81 and 83 Lisanelly Lane, Armagh are surplus assets and are valued at £840k.

Land and building valuation can be analysed as;

	2024	2023
	£'000	£'000
Freehold Land and Buildings	109,677	110,718
Leasehold Land	64	64
Owned assets	109,741	110,782

12. TANGIBLE FIXED ASSETS (continued)

If land and buildings (including those that were inherited) had not been revalued, the cost of land and buildings including additions to inherited buildings and assets under construction would have been included at the following amounts:

	2024	2023
	£'000	£'000
Cost (including assets under construction)	60,223	59,797
Aggregate depreciation based on cost	<u>(9,860)</u>	<u>(8,726)</u>
Net book value based on cost	<u>50,363</u>	<u>51,071</u>

The depreciation charge for the year is analysed as follows:

	2024	2023
	£'000	£'000
Owned assets	<u>(5,275)</u>	<u>(5,204)</u>

Jointly Controlled Asset

The net book value of computers includes the fully depreciated computer hardware that is a jointly owned and controlled asset amongst the six Colleges of the Northern Ireland Further Education Sector. The hardware is used to support the sector's Management Information Systems and Information Technology services and is operated centrally on behalf of the sector.

13. INTANGIBLE FIXED ASSETS

	Computer Asset £'000	Total £'000
Cost or valuation		
At 1 August 2023	424	424
Reclassification	-	-
Transfer to Asset in Use	-	-
At 31 July 2024	<u>424</u>	<u>424</u>
Amortisation		
At 1 August 2023	173	173
Charge for the year	77	77
At 31 July 2024	<u>250</u>	<u>250</u>
Net book value at 31 July 2024	<u>174</u>	<u>174</u>
Net book value as at 31 July 2023	<u>251</u>	<u>251</u>

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 intangible asset is funded in full through a capital grant from the Department for the Economy. The asset was amortised from May 2021.

14. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Trade receivables	225	392
Prepayments and accrued income	2,094	2,845
Total debtors	<u>2,319</u>	<u>3,237</u>

Included within prepayments and accrued income are the following items of income;

	2024	2023
	£'000	£'000
DfE income	<u>176</u>	<u>1,054</u>

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£'000	£'000
Trade payables	739	1,299
Taxation and social security	27	67
Deferred income and payments received in advance	2,268	2,589
Accruals	1,685	3,096
Total	<u>4,719</u>	<u>7,051</u>

Included within deferred income and payments received in advance are the following items of income which have been deferred until specific performance related conditions have been met;

	2024	2023
	£'000	£'000
DfE grant income	134	225
Capital grant income	1,971	1,885
Other grant income	163	479
Total	<u>2,268</u>	<u>2,589</u>

16. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£'000	£'000
Capital grant income	35,427	36,083
Total	<u>35,427</u>	<u>36,083</u>

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2023	5	141	146
Income/(Expenditure) in the period	(16)	2	(14)
Transferred to statement of comprehensive income and expenditure	(2,793)	-	(2,793)
Irrecoverable surplus on pension scheme	2,809	-	2,809
At 31 July 2024	5	143	148
	Restated		Restated
	Pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2022	8,324	143	8,467
Expenditure in the period	1,202	(2)	1,200
Transferred to statement of comprehensive income and expenditure	(14,240)	-	(14,240)
Irrecoverable surplus on pension scheme	4,719	-	4,719
At 31 July 2023	5	141	146

The funded benefits pension scheme has an asset ceiling valuation of £Nil. Therefore, the irrecoverable surplus for 2024 was £2,809k (2023: £4,719k). These amounts are reflected in the pension valuation in the financial statements.

The provision of £143k 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 £141k provision has been estimated by the 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). The increase from prior year reflects the update to the employer contribution rate for Northern Ireland Teacher's Pension (increase from 25.1% to 29.1%).

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

1. The outworking of The Supreme Court judgement and the application of The Court of Appeal's original judgement;
2. Lack of accessible data for years previous to 2008-09, requiring estimations to be applied;
3. Future negotiations with Trade Unions;

17. PROVISION FOR LIABILITIES AND CHARGES (continued)

4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. The provision is gross (inclusive of Employee National Insurance and PAYE)); and
6. Taxation issues are under discussion with HMRC, by the wider NI public sector.

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

There were no contingent liabilities at the year.

18. CASH AND CASH EQUIVALENTS

	At 1 August 2023 £'000	Cash flows £'000	At 31 July 2024 £'000
Cash and cash equivalents	2,928	505	3,433

19. PENSIONS AND SIMILAR OBLIGATIONS

The 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.

Total pension cost for the year

	2024 £'000	2023 £'000
NITPS: contributions paid	3,545	3,162
NILGOSC: Contributions paid	1,798	1,647
NILGOSC: FRS 102 (28) adjustments	(16)	891
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	1,782	2,538
Total pension cost for year	5,327	5,700

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the NITPS was 31 March 2012 and NILGOSC was 31 March 2022.

NITPS

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. Until 1 April 2015, the scheme operated under the Teachers' Superannuation Regulations (NI) 1998 (as amended). Further information about the scheme is given

in the explanatory booklet dated November 2007, and on the Department of Education’s website at www.education-ni.gov.uk.

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

The Public Service Pensions Act (Northern Ireland) 2014 provides for the closure of existing public section pension schemes (including the NITPS) from 31 March 2015 and the establishment of new schemes based on a career average re-valued earning model with normal pension age equal to state pension age introduced from 1 April 2015.

The employer contribution rates increased to 29.1% from April 2024. The salary bands applicable to member contribution for the NITPS, based on a members’ annual salary rate (actual earnings) from 1 April 2022 to 31 March 2023:-

Salary	
Up to £32,136	7.4%
£32,136 to £43,260	8.6%
£43,260 to £51,293	9.6%
£51,293 to £67,980	10.2%
£67,980 to £92,698	11.3%
£92,698 and above	11.7%

Table 16

From 1 April 2024, the bands changed to those below.

Salary	
Up to £34,290	7.4%
£34,290 to £46,159	8.6%
£46,159 to £54,730	9.6%
£54,730 to £72,535	10.2%
£72,535 to £98,909	11.3%
£98,909 and above	11.7%

Table 17

NILGOSC

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2024 by a qualified actuary.

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

Principal actuarial assumptions at the Statement of Financial Position date are as follows:

	At 31 July 2024	At 31 July 2023
Rate of increase of salaries	4.30%	4.35%
Rate of increase for pensions	2.80%	2.85%
Discount rate for scheme liabilities	5.00%	5.10%
Inflation assumption (CPI)	<u>2.80%</u>	<u>2.85%</u>

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
<i>Retiring today</i>		
Males	21.0	21.3
Females	23.9	24.1
<i>Retiring in 20 years</i>		
Males	21.6/21.9	21.9/22.2
Females	<u>24.7/25.0</u>	<u>24.9/25.2</u>

The College's share of the assets in the scheme were:

	Value at 31 July 2024 £'000	Value at 31 July 2023 £'000
Equities	24,939	23,678
Bonds	13,013	11,891
Property	5,704	5,709
Cash	10,701	6,669
Multi Asset Credit	8,096	7,193
Fair value of assets	<u>62,453</u>	<u>55,140</u>

Amounts recognised in the statement of financial position

	2024	Restated 2023
Funded Benefits	£'000	£'000
Scheme assets	62,453	55,140
Scheme liabilities	(54,689)	(50,426)
Present value of funded defined benefit obligation	<u>7,764</u>	<u>4,714</u>
Irrecoverable surplus	<u>(7,764)</u>	<u>(4,714)</u>
Funded Scheme – Net assets / (liability)	-	-
Unfunded Benefits		
Present value of unfunded benefits	<u>(5)</u>	<u>(5)</u>
Net liability	<u>(5)</u>	<u>(5)</u>

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of amounts charged to staff costs

	2023	2022
	£'000	£'000
Employer service cost (net of employee contributions)	1,791	2,530
Total operating charge	1,791	2,530

Analysis of pension finance costs

	2024	2023
	£'000	£'000
Expected return on pension scheme assets	2,852	1,971
Interest cost	(2,611)	(2,282)
interest adjustment due to irrecoverable surplus	(241)	-
Net credit/charge to interest receivable/(payable)	-	(311)

Analysis of other comprehensive income/(expenditure) for pensions

	2024	Restated 2023
	£'000	£'000
Actuarial gains/(losses) from assets	2,880	(3,063)
Actuarial (losses)/gains from a change in financial assumptions	(489)	17,268
Actuarial gains from a change in demographic assumptions	402	1,528
Actuarial (losses)/gains from experience	-	(1,493)
Actuarial gains/(losses) from recoverable surplus	(2,809)	(4,719)
Total of other comprehensive income	(16)	9,521

Movement during the year

	2024	Restated 2023
	£'000	£'000
Surplus/(Deficit) in scheme at 1 August	(5)	(8,324)
Employer service cost (net of employee contributions)	(1,791)	(2,530)
Employer contributions	1,807	1,638
Past service cost	-	-
Net interest on assets	-	(311)
From changes in financial assumptions	-	1
Actuarial gains recognised in other comprehensive income	2,793	14,240
Irrecoverable surplus	(2,809)	(4,719)
Surplus/(Deficit) in scheme at 31 July	(5)	(5)

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of liabilities

	2024	2023
	£'000	£'000
Liabilities at start of period	50,426	63,145
Service cost	1,791	2,530
Interest cost	2,611	2,282
Employee contributions	588	525
Actuarial loss/(gain)	-	1,493
Benefits paid	(814)	(752)
Past service cost	-	-
From change in financial assumptions	489	(17,269)
From change in demographic assumptions	(402)	(1,528)
Liabilities at end of period	54,689	50,426

Reconciliation of assets

	2024	2023
	£'000	£'000
Assets at start of period	55,140	54,821
Expected return on assets	2,852	1,971
Actuarial gain/(loss)	2,880	(3,063)
Employer contributions	1,807	1,638
Employee contributions	588	525
Benefits paid	(814)	(752)
Assets at end of period	62,453	55,140

The estimated value of employer contributions for the year ended 31 July 2025 is £1,851k.

20. CAPITAL COMMITMENTS

Provision has not been made for the following capital commitments at 31 July

	2024	2023
	£'000	£'000
Commitments contracted for at 31 July	813	1,355
Authorised but not contracted at 31 July	-	-
Total	813	1,355

21. FINANCIAL COMMITMENTS

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

	2024	Restated
	£'000	2023
		£'000
Other		
Expiring within 12 months	36	-
Expiring within two and five years inclusive	70	106
Total	106	106

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

	2024	2023
	£'000	£'000
Income		
Expiring within two and five years inclusive	21	27
Total	21	27

22. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT

Owing to the nature of the College's operations and the composition of the Governing Body 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 Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

Table showing transactions where goods or services are provided to the College by the related organisation.

Governor / Senior Manager of Southern Regional College	Related Organisation	Transactions 2024 £'000	Transactions 2023 £'000	Amount outstanding at 31 July 2024 £'000	Amount outstanding at 31 July 2023 £'000
T Rice**	Newry Chamber of Commerce and Trade	9	10	-	-
T Rice**	Newry, Mourne and Down District Council	24	29	-	-
M Turner** S Rogan**	Pearson UK	250	215	-	-
S Rogan** M Turner**	CCEA	26	17	-	-
M Turner** G McMurray* T Rice**	Armagh City, Banbridge and Craigavon Borough Council	3	4	-	-
L Shackels**	The Open University	113	141	-	-
N Harkness*	Strategic Investment Board (SIB)	107	120	-	-
T Moore*	Department of Justice	21	19	-	-
S Alexander*	Legal Island	N/A	1	-	-
S Harper*	Queens University Belfast	5	N/A	-	-
M Kelly*	University of Ulster	175	N/A	-	-

**denotes governor, ** denotes member of staff*

Table 18

22. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT (continued)

Table showing transactions where goods or services are provided by the College to the related organisation.

Related Organisation	Transactions	Transactions	Amount	Amount
	2024 £'000	2023 £'000	outstanding at 31 July 2024 £'000	outstanding at 31 July 2023 £'000
M Turner** G McMurray* T Rice**	38	18	-	2
T Rice**	51	100	-3	-3
B Doran**	-	2	-	-
M Kelly*	103	N/A	-	-

*denotes governor, ** denotes member of staff

Table 19

23. AGENCY ARRANGEMENTS

Student Hardship funds are available solely for students; the College acts only as paying agent. The grant and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure Account.

	2024	2023
	£'000	£'000
DfE student hardship grant	243	358
Disbursed to students	(109)	(133)
Balance unspent at 31 July	134	225

Care to learn funds are available solely for students' childcare obligations; the College acts only as paying agent. The grant and related disbursements are therefore excluded from the Statement of Comprehensive Income and Expenditure Account.

	2024	2023
	£'000	£'000
DfE care to learn grant	7	17
Disbursed to students' childcare providers	(7)	(17)
Balance at 31 July	-	-

23. AGENCY ARRANGEMENTS (continued)

In Accordance with Section 50 of the UK Internal Market Act 2020 (UKIM), the College acts as an agent in the receipt and distribution of payments to delivery partners on the Employ Me programme, funded from the UK Shared Prosperity Fund. The receipts from the Department of Levelling Up, Housing and Communities (DLUHC) and subsequent disbursements to partners are excluded from the Statement of Comprehensive Income.

	2024	2023
	£'000	£'000
DLUHC delivery partner funding received	1,651	-
Disbursed to partners	(1,651)	-
Balance at 31 July	-	-

24. LOSSES AND SPECIAL PAYMENTS

The losses and special payments made during the year are as follows:

Losses Statement

	2024	2023
Bad debts written off		
Total number of losses	167	40
Total value of losses (£000)	98	11

Special Payments

	2024	2023
Total number of special payments	2	-
Total value of losses (£000)	69	-

25. PRIOR YEAR ADJUSTMENT

At 31 July 2023, a net pension asset of £4,714k 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.

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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 this latest actuarial advice. The change has resulted in a reduction of net assets at 31 July 2023 by £4,719k:

Summary of prior year impact	2024
	£'000
Reduction in pension asset	4,719
Reduction in pension reserve	4,719

26. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

Financial Reporting Manual (FRem) 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	Restated 2023 £'000
INCOME			
DfE income (non-grant in aid items)	1	3,060	1,957
Education contracts	2	4,820	4,403
Tuition fees and charges	3	1,886	1,910
Other grant income	4	313	567
Other operating income	5	1,456	1,446
Investment income	6	263	120
Total incoming resources		11,798	10,403
EXPENDITURE			
Staff costs	7	(30,891)	(30,698)
Exceptional item – Voluntary Exit Scheme	7	(496)	
Exceptional item – provision for annual leave on overtime	7	(2)	2
Other operating expenses	9	(15,993)	(14,799)
Depreciation and impairment	12	(5,408)	(5,283)
Interest and other finance costs	10	-	(311)
Total resources expended		(52,790)	(51,089)
Deficit before tax		(40,992)	(40,686)
Taxation	11	-	-
Deficit for the year		(40,992)	(40,686)
Unrealised surplus on revaluation of land and buildings		2,591	8,391
Actuarial gain/(loss) in respect of pension scheme		2,793	14,240
Irrecoverable surplus		(2,809)	(4,719)
Amount transferred to reserves		(38,417)	(22,774)
Analysis of reserves prepared under FRem			
		2024 £'000	Restated 2023 £'000
Balance at 1 August		81,081	66,461
Grant in aid received in year excluding exceptional item		39,011	37,394
Grant in aid received in year exceptional item		295	-
Amount transferred to reserves		(38,417)	(22,774)
Balance at 31 July		81,970	81,081

27. EVENTS AFTER THE REPORTING PERIOD DATE

In October 2024 the Northern Ireland College Employers Forum approved the pay award for senior staff effective from 1 September 2023. In November 2024 the NJC agreed the pay award for support staff, effective from 1 April 2024. An adjustment has been made to reflect these agreements in the financial statements of the College.

The Accounting Officer authorised the issue of these financial statements on 17 December 2024.