

Annual Report and Accounts 2023-24

NORTHERN REGIONAL COLLEGE
Annual Report and Accounts

For the year ended 31 July 2024

Laid before the Northern Ireland Assembly under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 by the Department for the Economy on

23 June 2026

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This publication is also available at www.nrc.ac.uk.

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Northern Regional College 2023/24

FOREWORD BY CHAIR OF GOVERNING BODY

Having completed three years as Chair of Northern Regional College, it has been a privilege to witness and be involved in the tangible improvements and progression in the College over that period. Working together as a Governing Body, we have built strategic relationships, deepened our understanding of the College's work and shared in a great sense of achievement, with the completion of a major long-term capital project - the fabulous Causeway Campus in Coleraine.

Amidst ongoing redevelopment, our staff continue to be our most important asset. With continued staff development and opportunities for job progression, Northern Regional College is a great place to work. I personally enjoy the opportunity to engage directly with a wide range of dedicated staff at the College. Professional staff development, fostering collegiality and effectively delivering the College's Strategic Plan are all crucial factors for continuous improvement and future success.

Graduation in December 2023 was again a highlight of College engagements. As I attended my third ceremony in Tullyglass House Hotel, I reflected on the important role the College plays, not only in supporting the Northern Ireland economy to be vibrant and globally competitive, but also in providing an alternative path for our young people who thrive in a different academic setting. We deliver lifelong learning opportunities for all, through innovative, high-quality education and skills training. Sharing in the success of graduates', proudly watched by their families, friends and our staff, reinforces the impact the College has on individuals, on their futures and their chosen career paths.

Staff Awards followed in January 2024, and these were again an uplifting celebration of resilience, commitment and excellence. Whilst nineteen individuals and four teams were formally acknowledged at the event, they represent a cross section of the incredible work that goes on in the College. Well done to all involved.

During the 2023/24 academic year I built upon the engagement programme, to which Mel Higgins and I are committed, by again visiting all of our campuses. In January 2024, we held five question and answer sessions with staff, which were well attended and allowed us to hear first-hand feedback on current issues. These engagements subsequently informed decision making at both governing body and committee meetings.

We have concluded and reported on the second and penultimate year of the Strategic Plan 2022/23 - 2024/25. I am encouraged by its success, with nine goals achieving green status and three goals, amber, based on Year 2 progress. The Plan provides clear Vision, Mission and Values for the College, along with important strategic priorities, themed by learners, professional services and partners. It is gratifying to see the focus this continues to provide for College activity and the sustained efforts made to achieve our ambitious aspirations by 2025.

One of the aspects which will greatly enhance and elevate our teaching and learning experience is the realisation of our new Causeway Campus in Coleraine. Throughout 2023/24, I was on site as the building advanced at pace and materialised into a landmark campus. I wish our staff, students and the local community well as they enjoy and experience the spectacular new campus and facilities. With Ballymena Campus following suit and on programme to be ready for the 2025/26 academic year, the improvement in the College's campus portfolio will be transformational. Throughout the year, investment also continued across the estate to ensure it remains fit for purpose and matches the ambitions we have for our students.

We welcomed four new governors, Brendan Devlin, Carla McGovern, Brendan Patterson and Jayne Taggart onto our Governing Body at the start of August 2023 for four-year terms. I extend my gratitude to all members for their time, commitment and expertise in governing the College.

I am certain the College will continue to thrive, by adapting to change, keeping our students at the heart of decision-making and continuing to invest in our staff and estate on a local and sub-regional basis.

Ken Nelson MBE

Chair of the Governing Body

OVERVIEW FROM PRINCIPAL & CHIEF EXECUTIVE

Our Annual Report is both a record of achievement and a reminder of our shared purpose. In a sector that moves quickly and operates in defined cycles, it is essential that we take time to recognise the real and lasting difference our College makes. From driving skills development and strengthening the local economy, to supporting our students to grow, achieve and thrive personally and professionally, the College is helping to shape the future of our communities.

The 2023/24 academic year has brought significant challenges for the Further Education sector and for the College, with budgetary pressures and wider public sector constraints. Yet, despite these headwinds, the College has continued to grow in reach, reputation, and relevance—delivering on our commitment to high-quality education and industry engagement.

Rising demand and growing reputation

Applications for 2023/24 totalled 17,966, a 12% increase on the previous year. This growth reflects the combined impact of our targeted marketing campaigns, the excitement generated by our new campuses, and our expanding reputation for delivering high-quality, vocationally focused programmes. This momentum is a clear indicator that the College is increasingly recognised as the first-choice destination for skills-based education in Northern Ireland.

Innovative partnerships and curriculum development

Strategic partnerships remained a cornerstone of our progress in 2023/24, enabling us to respond to evolving skills needs and extend our reach into new sectors and communities.

Highlights include:

- Manufacturing Academy – launched in October 2023 with The Gallaher Trust, delivering training in advanced manufacturing skills critical to local industry.
- Level 3 Apprenticeships in Magherafelt – introduced with MEGA, providing opportunities for 16 learners to gain high-level technical qualifications in partnership with local employers.
- Health and Social Care engagement – staff and students supported the opening of *The Willow Tree*, a dementia-friendly café at Wood Green Residential Care Home, Newtownabbey, reflecting our commitment to social impact.

These initiatives demonstrate the College's role as both an educator and a catalyst for innovation—helping to future-proof our economy and communities.

WorldSkills – showcasing excellence on a global stage

Our long-standing commitment to skills competitions reached new heights this year. In December 2023, I was honoured to be appointed a Trustee of WorldSkills UK—an opportunity to represent Northern Ireland and influence national skills strategy while sharing best practice across the UK.

In 2023/24, NRC students excelled at the highest levels:

- EuroSkills, Gdańsk – Engineering FD students Charlie Carson and Jason Scott won a Medallion of Excellence in Robotic Systems Integration, securing their place at WorldSkills Lyon 2024.
- International Pressure Test – College hosted the global Robot Systems Integration IPT at our Farm Lodge campus in June 2024, reinforcing our position as a leader in technical education.
- Representation in national finals across Mechatronics, Plumbing, Welding and construction trades, with multiple qualifiers for the Skillbuild National Finals in November 2024.

These successes not only highlight the talent and dedication of our students and staff, but also position the College as a key driver of skills excellence regionally, nationally, and internationally.

Strengthening industry and community engagement

Throughout the year, we deepened our collaboration with industry, local councils, and key stakeholders, building sustainable relationships that align with the region's economic needs. The work of our Innovation Team of Technical Specialists has expanded our capability to support employers with applied research, product development and workforce upskilling.

Examples include:

- Delivery of a Classroom Assistant Academy for Antrim and Newtownabbey Borough Council
- Advanced Manufacturing Academies with The Gallaher Trust and Mid & East Antrim Borough Council
- Hydrogen training in partnership with Mid & East Antrim Borough Council, preparing industry for the transition to clean energy

These initiatives underline our role as an engine for economic growth and a partner of choice for innovation-led skills development.

Transforming our estate – campuses that inspire

One of the most significant milestones this year was the completion of our Causeway Campus in Coleraine. Handed over in July 2024, the campus opened its doors to staff in August and welcomed students in September 2024. This state-of-the-art facility will transform skills delivery in the Causeway Coast and Glens area and beyond.

Progress on the Ballymena Campus has also been substantial, with the building now fully weatherproof and internal works well advanced. Together, these campuses are not just new buildings—they are statements of intent, reflecting our ambition to deliver world-class learning environments and to position the College as a sector leader within Northern Ireland's FE landscape.

Investing in our people

Our staff remain the heart of our success. This year, we expanded our focus on wellbeing, offering a diverse programme of activities covering financial wellbeing, mental health, and physical fitness.

Our continued participation in the *Good For Me, Good For FE* initiative saw staff and students contribute to local communities through fundraising, volunteering, and seasonal giving campaigns.

Professional development was closely aligned to our strategic goals, with a particular focus on:

- Artificial Intelligence – raising awareness, providing practical tools, and enabling staff to integrate AI into teaching and operations
- Sustainability – initiating our organisational journey towards a greener future
- Leadership development – enhancing accountability, adaptability, and change management skills

In Spring and Summer 2024, we also said goodbye to valued colleagues through the Voluntary Severance Scheme, recognising and thanking them for their significant contributions to the College's journey.

Looking forward – a College in transformation

This year has been one of progress, ambition, and resilience. The completion of the Causeway Campus, the ongoing transformation in Ballymena, and our continued record of achievement in skills competitions and industry partnerships place us in a strong position for the future.

As we move towards a four-campus model, we have an opportunity not only to transform the Further Education landscape in our region, but to set new standards for what FE can deliver. With the dedication of our staff, the leadership of our Governing Body, and the trust of our partners, the College will continue to inspire learning, drive innovation, and create opportunities for the communities we serve.

Mel Higgins

Principal & Chief Executive

STRATEGIC REPORT

Nature, Objectives and Strategies

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

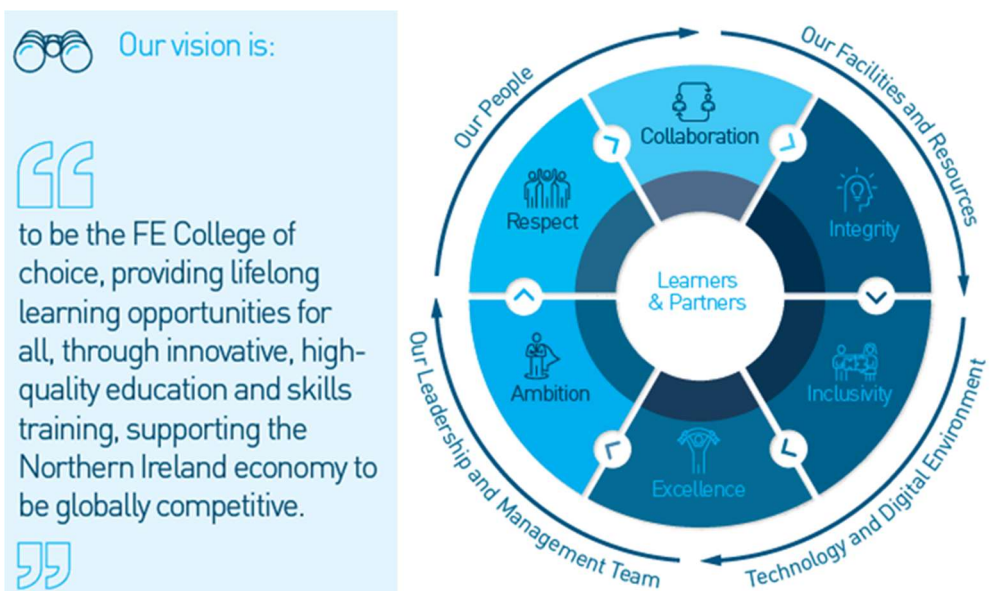
Legal status

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 has resulted in colleges being determined as Non-Departmental Public Bodies.

Strategic Plan 2022/23 – 2024/25: Skills, Innovation & Excellence

Mission Statement

As we come to the close of the second year of the Strategic Plan 2022/23 – 2024/25, the College continues to build on the foundation of "Skills, Innovation & Excellence" established in November 2022. Our commitment to enhancing the College and its services remains steadfast. The enriched vision statement, crafted by the Governing Body's Strategic Planning Group, now serves as the cornerstone of our new corporate values, guiding us toward a future of growth and resilience. This year, we will continue to focus on implementing the strategies that align with this vision, ensuring that our actions reflect our dedication to excellence in education and community service.



We continue to work towards achieving our twelve key goals that are structured around three core themes of Learners, Professional Services and Partners.

Learners	Professional Services	Partners
 <p>To provide an agile, responsive, sustainable curriculum aligned to the 10X Strategy and local business and community needs.</p>	 <p>To attract, recruit, develop and retain highly skilled, motivated and professional talent.</p>	 <p>Through horizon scanning, to proactively identify emerging skills requirements.</p>
 <p>To equip learners with the skills to make a positive impact in the workforce and the wider community.</p>	 <p>To embed an open, transparent, high performing culture demonstrated through independent evidence.</p>	 <p>To be an integral and first choice partner in local community planning & skills development.</p>
 <p>To improve academic standards and associated learner outcomes.</p>	 <p>To provide facilities that support delivery of our refreshed curriculum and achieve environmental sustainability.</p>	 <p>To maximise opportunities to secure income from alternative funding streams.</p>
 <p>To provide learners with an enriching experience during their studies with the College.</p>	 <p>To provide value for money and effective governance in delivery of our services.</p>	 <p>To develop an instantly recognisable brand that enhances the College's reputation.</p>

In the 2023/24 academic year, we achieved significant progress towards our objectives, with nine out of twelve goals attaining a green status. This reflects the successful progress in achieving our strategic initiatives. Currently, we are developing targets for the final year of our strategic plan, which includes devising supportive measures to elevate the three goals that presently hold an amber status to green. This proactive approach ensures continuous improvement and alignment with our long-term vision.

End of Year Position – Status of Goals Based on Year 2 Progress

Theme	Goal	Status
Learners	To provide an agile, responsive, sustainable curriculum aligned to the 10x strategy and local business and community needs	Green
	To equip learners with the skills to make a positive impact in the workforce and the wider community	Green
	To improve academic standards and associated learner outcomes	Amber
	To provide learners with an enriching experience during their studies with the College	Amber
Professional Services	To attract, recruit, develop and retain highly skilled, motivated and professional talent	Amber
	To embed an open, transparent, high performing culture demonstrated through independent evidence	Green
	To provide facilities that support delivery of our refreshed curriculum and achieve environmental sustainability	Green
	To provide value for money and effective governance in delivery of our services	Green
Partners	To proactively identify emerging skills requirements and partnership opportunities	Green
	To maximise opportunities to secure income from alternative funding streams	Green
	To develop an instantly recognisable brand that enhances the College's reputation	Green
	To be an integral and first choice partner in local community planning and skills development	Green

Corporate and Business Planning

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 under three key strategic areas in 2023/24:

- Innovation
- Inclusive Growth
- Sustainability



The progress against the measures set out in the CDP 2023/24 is reported to the Department three times each year.


Performance Indicators and Review of Performance in 2023/24

The College's performance was monitored by the Governing Body and reported to DfE throughout 2023/24 with appropriate actions agreed and implemented.

The summary table below outlines the progress based on College data submitted through the final Consolidated Data Return reported at the end of September 2024. All KPIs have a tolerance level of 5% for a green status.

How much did we do?

DfE Priority	Aims	Status	Supporting narrative
Innovation	<ol style="list-style-type: none"> To increase the number of businesses in Northern Ireland engaging in innovation activities. To meet the skills needs of businesses in Northern Ireland to support increased business productivity and growth 		<p>Achieved</p> <p>Against the four KPIs for these aims the College achieved green status:</p> <ul style="list-style-type: none"> – To deliver 50 innovation-based projects. (Exceeded) – To deliver tailored training programmes to 75 businesses. (Exceeded) – To deliver 50% of tailored training courses at L2+ in Broad STEM related subject areas. (Exceeded) – To complete 3 Academies. (Exceeded)
Inclusive Growth	<ol style="list-style-type: none"> Creating a culture of lifelong 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. Encourage learners to progress to achieve higher industry relevant qualifications and employment. Upskilling and reskilling learners to progress in life-long learning and to meet employer skills needs through provision of focussed training, providing the skills and 		<p>Partially Achieved</p> <p>Against the nine KPIs supporting these aims the College achieved green status:</p> <ul style="list-style-type: none"> – To achieve 7,062 no. of individuals in 2023/24 academic year. (Exceeded) – To maintain FE retention rates at 88.9% in 2023/24 academic year. (85% Achieved) – To maintain FE achievement rates at 88% in 2023/24 academic year. (85% Achieved) – To maintain HE in FE retention rates at 94.5% in 2023/24 academic year. (84% Achieved)

	qualifications necessary to secure employment.		<ul style="list-style-type: none"> – To increase HE in FE achievement rates from 91.5% in 2022/23 to 92% in 2023/24 academic year. (85% Achieved) – 3,652 no. of individuals enrolled who are furthest away from the labour market and/or with low or no formal qualifications in 2023/24 academic year. (Exceeded) – To increase the percentage of women in narrow STEM related subjects from 236 (14%) in 2022/23 to 270 (16%) in 2023/24. (268 Achieved) – To upskill/reskill 2,483 no. of individuals on training programmes in 2023/24 academic year. (Exceeded)
Sustainability	<ol style="list-style-type: none"> 1. To address the skills needs 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. 		<p>Achieved</p> <p>Against the three KPIs for the sustainability aims the College achieved green status.</p> <ul style="list-style-type: none"> – In 2023/24 academic year to develop curriculum and train staff for delivery on green sustainable skills in 2024/25 academic year. (Achieved) – In 2023/24 academic year, establish a baseline position for the College. (Achieved) – In 2023/24 academic year, establish the key actions to improve/maintain energy efficiency. (Achieved)

Enrolment Numbers

Measure	Target 2023/24	Actual 2023/24	RAG
Further Education (FT & PT)	5,812	6,385	
Higher Education (FT & PT)	939	864	

Higher Level Apprenticeships (HLA)	161	162	
Essential Skills (16-19 & 20+)	2,261	2,145	
Apprenticeships NI (L2&L3)	1,826	1,757	
Traineeships	640	641	
Enrolment Total	11,639	11,954	

How well did we do it?

The planned enrolment activity was set at 11,639 and the College successfully achieved a total enrolment count of 11,954. The increase of 315 enrolments represents an additional activity of 2.7%.

Performance by Funding Stream

The enrolment numbers for Further Education (FE) have shown an increase against the planned activity, with 6,385 enrolments against a planned activity figure of 5,812. This represents an overachievement of approximately 9.9% and a green rating has been applied to FE. Overall, FE enrolments account for 53.4% of the College's provision in 2023/24.

The overall target for Higher Education (HE) was 939 through full-time and part-time enrolments. The College achieved a total of 864 HE enrolments. The College achieved 93% of the planned activity with HE FT target, the College reflects the trend seen across the FE sector. This activity is outside of the tolerance level set for the CDP and a red status has been assigned. The HE enrolments must be considered with the HLA numbers which have shown very strong performance, the HLA target was 161 with the achieved level of 162, therefore this is green. The total HE and HLA enrolments represent 8.6% of the College's provision.

The Essential Skills target for 2023/24 was 2,261 and the College had actual delivery of 2,145, a minimal shortfall of 116 enrolments. The Essential Skills activity is outside of tolerance level and a red status has been assigned. Essential Skills provision equates to 17.9% of the College enrolments.

For Apprenticeships NI, Level 2 and Level 3 the enrolment target was set at 1,826. As at September 2024, the total enrolments reached 1,757. The enrolment count has achieved 96.2% of the planned activity and has been afforded a green RAG status. Apprenticeship NI delivery accounts for 14.7% of the overall enrolment activity of the College.

The Traineeship provision has continued to grow and expand. In 2023/24 the planned delivery was 640 enrolments across the Traineeship programmes with the actual delivery of 641 enrolments. Traineeship enrolments in 2023/24 made of 5.4% of the enrolment profile.

Who is better off?

In 2023/24 the College delivered 40% of the enrolments at Level 3 or above in support of the Skills Barometer which identified the need for qualifications at Level 3-5 to support growth in the NI Economy. Through engagement with the College 8,929 regulated qualifications have been delivered across all provision including social inclusion programmes. The College has engaged through social inclusion programmes with over 4,000 learners, addressing barriers to education such as language, disability and low previous educational attainments.

The College has delivered bespoke business support through innovative projects to over 60 businesses and delivered accredited trained to 99 SMEs. In 2023/24 the College delivered an

academy in Hospitality, one in Manufacturing and a Teaching Assistant academy working with local council partners and The Gallaher Trust. Through external engagement over 550 learners engaged in these programmes with a delivery spend of over £750k.

Financial Objectives

The College’s key financial objectives for 2023/24 are shown below:

2023-24	College Target	Actual Performance
% Spend against budget	100%	100%
% Capital against budget	100%	100%
Absenteeism	3%	4.26%*
Prompt Payment within 30 calendar days	95%	88%**

*Absenteeism rates in 2023/24 continue to remain higher than pre-pandemic due to an increased number of staff experiencing significant long-term medical issues. This is anticipated to decrease due to ill health retirement and VSS leavers.

** Due to changes in staffing during the period the performance fell, but this is expected to improve for the 2024/25 year, given stable resources.

Current and Future Development and Performance

Staff and Student External Achievements 2023/24

- Conor Dallas was recognised with the highly prestigious Young Apprentice of the Year 2023 at the Construction News Specialists Awards.
- Hospitality Lecturer Ashley Douglas was a finalist in ‘Lecturer of the Year’ at the Institute of Hospitality Northern Ireland Awards held at the Culloden Estate and Spa.
- Eimear Duffy, a part-time student in the Level 5 Associate Diploma in People Management, won the prestigious Chartered Institute of Professional Development NI Best HR Student award in Belfast at the CIPD Awards.
- The College Computing curriculum team was recognised as a Prodigy Learning Centre of Excellence 2022/23. These awards are presented each year to study centres across the UK & Ireland who deliver digital skills certifications to the highest of standards, advancing student employability through MOS, ITS and other internationally recognised programmes. The awards ceremony took place in London.
- Supported by the College, Mid and East Antrim Borough Council won a silver award at the All-Ireland Sustainability Awards in the Energy Efficiency/Project of the Year category for the innovative Hydrogen Training Academy.
- At the Making a Difference Awards, hosted by The Gallaher Trust, the College received an award for Making a Difference by Educating for Success, in recognition of our partnership with the Trust to make education and training accessible across Ballymena and the wider community, through the delivery of the Manufacturing Academy and scholarship programme.

- Eight College Apprentices received a Special Recognition Award in association with the Causeway Coast and Glens Labour Market partnership at an event on 8 November.
- The College was shortlisted in 4 of the 7 categories for NI Apprenticeship Awards 2024.
- Adam Gourley was confirmed as the successful recipient of a JP McManus Award 2023. Adam studied a BTEC Level 3 in Information Technology at the College before progressing to a degree in Computer Science at Queens University.
- The College Student Services team won Volunteer Team of the Year at the Good for Me, Good for FE Awards held at the House of Lords.
- Two Advanced Technology students, Jay Pennie and Luke Kirkwood, accepted Study USA offers. Both are Foundation Degree students and are the first College students to participate in this scheme.
- Level 3 Business Students participated in a Young Enterprise Northern Ireland event at the Foyleside Shopping centre and won Best Business Start-up.
- Twenty-five Level 3 Computing students went on a 2-week study trip to Leuven, Belgium, funded through the Turing scheme.
- The College had great success at IFEX, the industry food, drink, retail and hospitality trade event, held at the Titanic Exhibition Centre, Belfast in March 2024. Millie Graham was awarded silver in the Student Culinarian of the Year 2024. Victoria-Leigh McCosh took bronze in the Modern Junior Duck class, with a team of four students also picking up bronze in the Inter-College Cook & Serve Challenge. Odette McDonough received a merit in the Modern Trend, World Cuisine.
- Student entrepreneurs behind Customs Company and Eco Wicks were awarded joint First for Best Start-up at the Young Enterprise Awards held at City Hall. The Level 3 IT and Level 3 Business students were joined at the ceremony by our guests Timo Pihlajamäki and Tiina Paavola from Gradia College, Finland, who were hosted by the College on a three-day Entrepreneurship tour.
- At the Apprenticeship Awards 2024 the College made the final 3 in four categories, in partnership with Ryobi, H&W, Translink and McCue's.
- Staff and students were recognised at the inaugural FE Sector Excellence Awards on 4 June in Armagh City Hotel.

Curriculum Developments in 2023/24

During 2023/24 a review of curriculum took place against the context of the Education Minister's Economic Vision and four key objectives namely:

- Increasing the proportion of workers in 'good jobs';
- Promoting regional economic balance;
- Raising Northern Ireland's chronically low productivity;
- and reducing carbon emissions.

Against that background and in line with the curriculum strategy launched August 2023, the College developed its Phase One offer with Open University (OU) successfully validating three new Higher

Education programmes across Cloud Computing with Cyber Security, Foundation Degree Housing Practice and Level 4 Certificate HE in Health Care Practice. These will improve capacity to deliver a quality Higher Education experience within Further Education and strengthen opportunities for progression regionally.

There were significant opportunities to develop innovative Higher Education curriculum throughout 2023/24. Achieved by working successfully through collaborative vocational networks with the other FE colleges and evidenced through the successful validation of Hospitality and Tourism Management, Housing, Business Management, and commencement of collaboration for Science.

The growth of Higher-Level Apprenticeships continues as a strategic priority, with the planned introduction of Business Management, Hospitality Management and Cloud with Cyber Security to commence September 2024, and the launch of two new HLAs in Construction and Architectural Technology in September 2023. The College collaborated with the Sector on sustainability-based programmes leading on Plastic Literacy and promoting sustainable practices through Renewable Energy, developed as part of the Skill Up development fund in partnership with the other five FE Colleges, the areas of sustainability and productivity continues to be an area of growth. Recruitment of a dedicated individual to grow provision in this area commencing 2024/25 will enable further progress and development.

Literacy, Numeracy and ICT are continually being reviewed for improvements, the College continues to collaborate through the sector Essential Skills Working Group contributing to the DfE Essential Skills review with the new refreshed ICT qualifications launching January 2025.

During 2023/24, the College continued its focus on the delivery of a range of programmes including Essential Skills and professional, technical and academic programmes from Entry Level to Level 6 targeting both full-time and part-time learners and enabling progression to further study and/or employment, firmly establishing progression routes across all areas.

Curriculum development continued to sharpen its focus and alignment with the College's Strategic goals of providing an agile, responsive curriculum aligned to the Departmental strategy and local business and community needs, equipping learners with the skills to make a positive impact in the workforce and wider community with these pillars clearly established throughout the [Curriculum Strategy](#) which launched August 2023. Formalised employer forums were established across all priority areas to inform future development.

Employer engagement and endorsement and increasing the student experience remains a high priority to develop curriculum, verified through the introduction of initiatives including the NextGen Skills Academy, which brought major Games and Animation employers into Further and Higher Education. Northern Ireland screen funded a pilot scheme for FE colleges in Northern Ireland, which NRC, SRC and Belfast Met commenced in September 2023. NextGen brings an enhanced level of employer engagement to participating students, including specialist livestreamed masterclasses, real-world industry briefs, placements and showcase events where students exhibit their work to employers.

The College developed a partnership with Ghana University to develop sustainability-based programmes to be delivered 2024/25.

The College received £58,000 from Turing to fund an IT Entrepreneurship mobility which enabled twenty-five Level 3 Newtownabbey Computing students to travel to Belgium in February 2024 for two weeks, with three further Turing initiatives approved to be delivered throughout 2024.

The integration of the new system of Level 2 Traineeship continued in 2023/24 contributing to 641 enrolments expanding across 5 further vocational areas including Health and Social Care, Childcare, Hairdressing, Travel and Tourism and Animal care. New qualifications are being delivered across Engineering, C&J, Plumbing, Professional Chef, Hospitality Team Member, Hairdressing, Motor Vehicle, ICT, T&T, Animal Care and Brickwork. College staff have taken a lead role in the development of Engineering, Travel and Tourism, Creative Media and Animal Care Traineeship qualifications.

In September 2024 the College will transfer all Level 2 provision to the Traineeship model. Implementation of this sectoral reform is key to providing school leavers with a clear and valued progression route to employment, apprenticeships and further studies through Further Education with Work Based Learning (WBL), Project Based Learning (PBL) and Transversal skills development all integral to the programme.

The College expanded areas offered through Apprenticeship provision with Level 3 Rail Engineering and Level 3 Hospitality commencing September 2023/24 and the extension to the Engineering Apprenticeship provision at the Magherafelt Campus in partnership with MEGA. Plans to extend to the new Causeway campus for 2024/25 and introduction of Apprenticeships in Childcare for 2024/25 have been completed in 2023/24.

During 2023/24 Northern Regional College delivered the following programmes under the Step-Up initiative, achieving 254 enrolments, the following programmes were launched:

- o College Connect, a FT L1 programme with progression pathways into Traineeship – 47 enrolments
- o DARE – Disability Access Route to Education and Employment, which is centred around delivery of a L2 Retail programme tailored to young people with SEN – 118 enrolments
- o WRAP – Women Returners Access Programme – a programme focusing on Health and Social Care, Childcare and Employability – 89 enrolments.

Academies have been developed across the following areas including hospitality, manufacturing, Health and Social Care and Teaching Assistants, with further plans for welding academies to commence in 2024.

Evaluations

During this academic year the College received the Level 3 Evaluation Report as well as the report from the Advanced Technical insight gathering exercise commissioned by DfE which in parallel with internal SER/QIP process informed the submission to the Department in January 2024.

The examinations and admissions were subject to audit which provided assurances regarding compliance with agreed processes.

An interim evaluation of Level 2 NI Traineeship is in process, due for completion by the end of September 2024 and ETI evaluation of Step up and Traineeship evaluation during 24/25.

During 2023/24, the College delivered the following new qualifications:

- Apps NI Level 3 Rail Engineering
- HLA Construction
- HLA Architectural Technology
- Apps NI Level 3 Engineering

- FE Level 2 Art & Design Skills for Modern Creative industries
- AppsNI Level 3 Certificate in Hospitality and Catering Principles in Hospitality
- FE Level 3 Nail Technology with Entrepreneurship
- FE Level 2 Youth Work
- OCN Level 4 Certificate in Understanding Adverse Childhood Experiences and Building Resilience
- OCN NI Level 2 Primary Care Medical Administration

Widening Participation and Social Inclusion

As part of the Colleges DfE approved Widening Participation plan for 23/24, 45 eligible HE students received a bursary to support their studies. The College continued its partnership with The Gallaher Trust, who provided four bursary opportunities for students that paid HE fees for the successful candidate. Targeted outreach projects to promote access to Higher Education were undertaken in the Causeway area, including giving over 100 school pupils attending HE taster sessions, Engineering, Construction, Music Health Sciences and Computing.

The College continues to provide English for Speakers of Other Languages (ESOL) and Pre-ESOL programmes. In 2023/24, ESOL provision was maintained at its current level with 185 enrolments. The ultimate aim is for these students to progress through the relative levels and enrol on FE programmes. Additional funding has been received of £60,000 to help support learners and increase enrolments across this area for 24/25.

The social inclusion agenda is focused on the local community, alongside engagement with 17 local schools to deliver 24 qualifications, up to Level 3, to more than 400 students. As in prior years, there was demand for STEM subjects, such as Engineering at Level 3, and Environmental Technology. In addition, we delivered community-based education in several outreach centres under the DfC funded CALL programme as well as the DfE Funded Step Up DARE and women returner programmes.

Student Support

The College has continued to maximise its allocation and distribution of the various strands of student financial support available from DfE. A total of 632 students were in receipt of Education Maintenance Allowance (EMA) in 2023/24. In terms of expenditure against budget in student finance terms, £18k was paid out via the DfE Care to Learn fund and 50 students were supported from the Hardship Fund with £46k paid out.

The Student Support Services team at Northern Regional College received national recognition for its outstanding commitment and dedication to supporting students. The team was named “Volunteering Team of the Year” at the Good for ME Good for FE awards for its significant impact on the College community by addressing local needs in an innovative and creative way. The team were invited along to an award ceremony at the House of Commons, London in December 2023 to receive their award.

Over 300, Level 3 students, across all campus sites, were involved in National Student Money Week, March 2024, preparing them for financial capability. This year the theme was “Less Risk, More Reward: Maintaining your Financial Wellbeing”

As part of the Department’s strategy to support students facing financial challenges, the college received 800 hygiene packs, and an additional batch of 2,438 College branded hoodies. These were distributed by the Student Services team. In addition to this, from the £110K funding provided, the College provided 32,500 breakfasts and information sessions for students. These initiatives were

well-received, with positive feedback from both staff and students highlighting its impact on student well-being and readiness for the day.

Student Services also secured £15K funding through the Public Health Agency to deliver our "Got Bounce" programme, aimed at enhancing the mental health of our students. In line with Mental Health Awareness Week, (13-19 May 2024) we proudly introduced this initiative designed to empower our students with the tools and knowledge to build resilience and improve mental well-being. During this week, 250 students across the College participated in the programme which featured a one-hour interactive workshop packed with valuable information, engaging activities, and a resource pack to take home. The team have resources built up to provide this programme to 1,800 students during September 2024.

The Period Dignity Scheme, which ensures the availability of free period products, has now been successfully implemented as a mandatory requirement across all campus sites. This initiative guarantees that students, staff, and visitors have access to free period products in all buildings, promoting inclusivity and gender equity. These products are readily available in all female and gender-accessible bathrooms, ensuring that no one is left without essential hygiene products.

Quality of Teaching and Learning

The College Self Evaluation and Quality Improvement Planning cycle continued with a new format and subsequent formal submission to DfE in January 2024. Following review from DfE and ETI, an assurance confirmation was received from DfE on the standard of quality improvement planning within the College. The publishing of the new ETI inspection framework and QAA Quality Code in May and June 2024 will allow for a further refresh of the approach to self-evaluation and quality improvement planning in early 2024/25.

The College successfully validated three programmes with the Open University, further strengthening the curriculum offer at Level 4+ and supporting the lifelong learning agenda as per the curriculum strategy.

Observations of Teaching and Learning were limited to contractual observations in 2023/24 due to industrial relations, which were successfully resolved towards the end of the academic year. A refreshed approach to observations of teaching, learning and assessment will commence in early 2024/25 to support the development of practice and academic standards within the classroom, supporting future quality initiatives.

Key improvements took place in 2023/24 in academic staff development planning process, particularly the induction period and the first three years, as well as key qualifications that support the wider development of staff and indeed the College.

Artificial Intelligence and supporting the College, staff and students in navigating the ethical use of AI has been a key focus for the Creative Excellence Team in 2023/24. An AI Excellence Hub was launched, with significant engagement from College staff. Wider staff development and an induction module for students were a key milestone that was achieved to ensure the College maintained progress on the AI journey.

A successful Staff Conference in August 2024 allowed the opportunity for all College staff to consider key areas of priority for the College, including student skills development, student engagement and AI within the classroom.

Embedding Entrepreneurship

The College continued to lead momentum and progress in the Entrepreneurship Hub, with a continued focus in 2023/24 on supporting Curriculum Development, Staff professional learning and Internationalising the Curriculum across the six colleges.

In Curriculum Development, the Level 2 Innovation and Enterprise saw a staged roll out of delivery across key curriculum areas, with the Level 4 Innovation and Enterprise nearing completion.

Global Entrepreneurship Week included a range of workshops, guest speakers, and ideation sessions across all campuses, using available funding where possible.

Partnerships with a range of entrepreneurs and local enterprise and industry continued in conjunction with Business Engagement, with key links supporting future planning for growth in this area. Ormeau Baths and engagement with Social Enterprises was ongoing throughout the year, support wider skills development and partnership working between curriculum teams, students and industry.

The 4D Entrepreneurship Project was delivered in-year, which strengthened vocational staff competencies in Design Thinking and applied methodologies to real-world challenges. The project concluded with the creation of a Design Thinking Teacher and Student guide.

The FE sector Entrepreneurship Hub attended key external events, to broaden ideas and network, improving links and sharing good practice. The ScaleX Summit in Belfast in November 2023, and the Entrepreneurship Summit in Glasgow in March 2024, provided key learning and professional development opportunities for Hub members, allowing for further development of plans for embedding entrepreneurship within the sector.

The FE Sector PBL competition continues to grow momentum, with an increased number of students and projects submitted to the internal competitions and indeed in achieving commendations or awards at the sector event.

On International Entrepreneurship Education, a successful Turing scheme application allowed for students and staff to experience a study visit to Belgium. Following the success of this event, there are plans for future applications and collaborations with European partners.

Economic Engagement

The College has continued to strengthen its engagement with local businesses, councils, and other stakeholders, building on established partnerships and forging new collaborations. An Innovation Team of Technical Specialists works alongside curriculum experts to support the development of innovation within industry, ensuring that specialist knowledge is both shared with and enhanced by local companies. Much of this work is delivered through funded programmes, with the expertise gained reinvested into the College's teaching and learning.

During the year, the College delivered a diverse portfolio of programmes designed to address regional skills needs and stimulate economic growth. Initiatives have included the launch of a Classroom Assistant Academy for Antrim and Newtownabbey Borough Council, advanced manufacturing academies in partnership with The Gallaher Trust and Mid and East Antrim Borough Council, and hydrogen training developed with Mid and East Antrim Borough Council.

The team also plays a lead role in representing the College on Labour Market Partnerships and other key working groups across the four councils in its catchment area. By focusing targeted resource in

this area, the College has significantly enhanced its capacity to generate non-core income and deliver measurable benefits for the regional economy.

Campus Developments

The College's exciting campus redevelopment projects have progressed exceptionally well throughout the year. The capital investment project, funded by the Department for the Economy, will see the delivery of two state-of-the-art campuses on the current sites in Union Street, Coleraine and Farm Lodge, Ballymena.

In Coleraine, the construction project was contractually completed within the reporting period including the main Causeway campus building and the adjacent St Patrick's Centre (Grade B2 listed building). The impact the new campus building has on the Coleraine townscape is truly impressive. The College teams have progressed all aspects of the transition to a fully operational phase and a successful return to Union Street for students and staff. The Project achieved Green status (Ready for Service) in the Gateway Review. Causeway campus was ready for operation for the start of the 2024/25 academic year.

The new Ballymena campus has progressed significantly in the period with the building fully weatherproofed, allowing internal fit out works to commence. Building services installation is progressing well. The Ballymena main campus is scheduled to be ready for operation for the start of academic year 2025/26 with overall project completion in early 2026.

Financial Position

Financial Results

Northern Regional 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 Reporting Standard applicable in the UK and Republic of Ireland.

The College recorded a surplus before exceptional items in 2023/24 of £762k (2023: Deficit £3,747k).

Indices, provided by Land and Property Services, were applied to the College's Land and Buildings (not impacted by the new build project) to provide valuations at 31 July 2024. The changes in indices along with the new Causeway Campus resulted in an increase in value for the estate of £7,410k.

The total net book value of Land and Buildings, excluding assets under construction at 31 July 2024, is £98.65m, with assets under construction totalling £30.15m, a total increase in net book value of £48,644k (excluding assets under construction at 31 July 2024).

The NILGOSC Pension Scheme recorded a £54k actuarial loss in 2023/24 (2023: £10.6m, restated to £6,711k), this has been accounted for within the Statement of Comprehensive Income and Expenditure and Note 22.

The College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2023/24, DfE provided 87% (2023: 86%) of the College's total income through allocated recurrent grant and other grant funding. This represented 13.42% (2023: 11.7%) of the total recurrent and other grant funding available to the sector.

Reserves

The College has accumulated income and expenditure reserves, excluding pension reserves, of £2,781k (2023: £1,612k) and cash balances of £486k (2023: £4,657k). The College's cash reserves at 31 July 2024 are 1.19% (2023: 13%) of the income for the year. The cash amount held is lower than the limit set in the Partnership Agreement by DfE.

Prior Period Adjustments

Pension Surplus

At 31 July 2023, a net pension asset of £10,629k was recognised in respect of the NILGOSC pension scheme. The asset was calculated as the difference between the fair value of the assets held in the defined benefit scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method. At the reporting date, the College's actuary considered IFRIC 14 and recommended that the asset ceiling (i.e. the maximum surplus which should be recognised) should be set to equal the present value of the future service cost over a prescribed period, using the accounting assumptions at the measurement date. As such, the College recognised the full surplus at 31 July 2023.

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

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

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

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

Management Action

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

Property, Plant and Equipment – Buildings

At 31 July 2023, the opening cost of Buildings (excluding land and assets under construction) was reported as £43,336k. During the preparation of the 2023/24 financial statements, it was identified that an error had occurred in the reversal of indexation in the prior year, resulting in the understatement of the opening cost at 1 August 2023. A prior period adjustment of £3,371k has been made to correct this error, as disclosed in Note 13 to the Financial Statements. The restated opening cost of Buildings at 1 August 2023 is £46,707k.

In addition, the opening accumulated depreciation for Buildings at 31 July 2023 was reported as

£4,829k. Following the correction of the indexation error, an additional depreciation charge of £187k has been recognised. The restated opening net book value of Buildings at 1 August 2023 is therefore £41,691k, representing a net increase of £3,184k.

Management Action

To prevent recurrence of similar issues, College Management will strengthen internal controls over the timeliness and accuracy of depreciation postings and audit-related adjustments within the finance system. Enhanced record-keeping practices will also be implemented to support the integrity of year-end reporting.

Deferred Capital Grants

Following a detailed review and reconciliation of historic capital funding and the asset register, it was identified that £157k of deferred capital grant income had been prematurely released or omitted from the closing balance, of which £77k relates to prior to 01.08.2023. This amount has now been reinstated to the Deferred Capital Grant balance within the year in line with agreement from NIAO, the remainder relates to changes within the Deferred Grants Policy on release to the Statement of Comprehensive Net Expenditure.

As part of the same reconciliation exercise, a further prior period adjustment was identified in respect of backlog depreciation. A review of revalued assets found that £57k of depreciation charges relating to previous years had not been recognised, due to misalignment with revised asset lives and valuations. This depreciation has now been applied and recognised as a reduction in the Revaluation Reserve within the financial year.

Management Action

To prevent recurrence of similar issues, College Management will strengthen internal controls over the timeliness and accuracy of deferred capital grant postings and audit-related adjustments within the finance system. Enhanced record-keeping practices will also be implemented to support the integrity of year-end reporting.

TREASURY POLICIES AND OBJECTIVES

Treasury Management

The College's Treasury Management policy sets out a framework for cash management, long-term investment and borrowing by the College. The College acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. The Treasury Management policy is to ensure the College has proper financial control, safeguards its assets and secures value for money. The College regards the successful identification, monitoring and control of risk to be the measure of the effectiveness of its Treasury Management Policy.

Cash Flows

The College's cash outflow was £4,171k (2023: £1,115k outflow). The decreased cashflow was due to the timing of cash drawdowns from the Department and changes of staffing within the College.

Liquidity

The level of reserves has contributed to a strong liquidity position for the College. Consequently, the College does not have any borrowings, loans or financing.

Payment Performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by HM Treasury for payment to suppliers within 30 calendar days is 95%.

During the accounting period 1 August 2023 to 31 July 2024, the College paid 88% (2023: 95%) of its invoices within 30 days £0 (2023: £0) was paid to suppliers in interest charges.

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 73% (2023: 80%) of its invoices within 10 working days.

Due to changes in staffing during the period the performance fell, but this is expected to improve for the 2024/25 year, given stable resources.

Events After the Reporting Period

Pay Awards

Non-Teaching Pay Award – April 2024

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

Senior Staff Pay Award – September 2023

The rates of salaries for Principals and Deputy Directors in Colleges of Further Education from 1 September 2023 were published on 25 October 2024.

These rates of salaries for senior staff have been accrued in staff costs for the year ended 31 July 2024.

Provisions

The provision of £591k represents the carried forward opening balance in respect of the ongoing Holiday Pay provision, which arises from the Court of Appeal (CoA) judgment (17 June 2019) in the case PSNI v Agnew. The CoA determined that claims for underpaid holiday pay could be taken back to 1998.

Although the PSNI appealed the CoA judgment to the Supreme Court, the appeal was dismissed on 5 October 2023, and the CoA decision was upheld.

There have been no further financial developments since the prior year. The provision remains under review pending further guidance on how the ruling will be applied across the public sector in Northern Ireland.

The narrative disclosure in Note 19 has been updated to reflect the outcome of the Supreme Court judgment, although the value of the provision has remained unchanged from the prior year.

Reform to Save

In September 2023, in response to budgetary pressures, it was announced that the College may need to reduce its staffing complement in the 2023/24 academic year. The College engaged with the Further Education Sector in order to complete a Voluntary Severance Scheme (VSS).

In total, the College released 41 members of staff through the VSS scheme, with the majority of staff leaving on or before 31st July 2024. The final tranche of staff exited the College by 31st August 2024, at the conclusion of the scheme however all leavers were accounted for at 31 July 2024.

The College has implemented monitoring in order to track savings through the scheme, although the sector has no plans for future schemes at present.

Accounts Statutory Compliance with Reporting Timeframes

The College experienced operational challenges resulting in delays in completing the annual accounts for July 2024. The College has conducted a lessons learnt exercise in relation to the production of the accounts to meet the requirements of the College and the Department for the Economy. The College has further established processes, procedures and structures and on-going review to enable the production of accounts in line with statutory requirements.

Going Concern

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 a going concern basis for the preparation of these financial statements.

The Department have issued a budget for 2024/25 to the College and we are in consultation with the Department to receive adequate resources to deliver the programme of work planned.

Rounding of Figures

In accordance with the requirements of the Government Financial Reporting Manual (FRoM) and FRS 102, amounts included in the financial statements are presented to the nearest £1,000, unless otherwise stated. This presentation is adopted for clarity and consistency with other public sector bodies.

All underlying accounting records are maintained in pounds and pence, and transactions are initially recorded at this level of precision. Due to the effects of rounding, some tables or disclosures may not sum precisely to the stated totals. Where a different level of precision is required for a specific disclosure (for example, staff remuneration bands or related party transactions), this is clearly indicated within the relevant note.

Resources

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

Estates

The College's estate includes campuses at:

Campus	2023/24	2022/23
	Net Book Value - £'000	Net Book Value - £'000
Ballymena – Farm Lodge	2,819	3,391
Ballymena – Trostan Avenue	945	1,366
Ballymena – Lamont	261	319
Ballymoney	400	629
Coleraine	51,252	900
Larne	3,470	3,475
Magherafelt	4,485	4,794
Newtownabbey	35,018	35,132
Portrush (currently not utilised)	0	0
New Build – Asset in the Course of Construction	30,152	47,453
Total	128,802*	97,459**

*The above shows the impact on the movement in the NBV of the Estate value as a consequence of a prior period adjustment to cost of £3,371k, a prior period adjustment to depreciation of (£187k), indices and valuation by LPS of £7,410k, additions of £30,227k and depreciation of (£4,339k).

**The above shows the impact on the movement in the NBV of the Estate value as a consequence of indices provided by LPS of £25k, additions of £29,762k and depreciation of (£2,489k).

Financial

Net assets at 31 July 2024 were £48,100k (2023 Restated: £42,962k) (including £0k net pension asset, 2023 Restated: £0k net pension asset).

People

The College employs 529 people (2023: 586) (expressed as full-time equivalents), of whom 277 are teaching staff. The overall decrease in staff numbers is due to the Reform to Save staff exit and a number of vacant posts.

	% Sickness Absence		Average days Lost	
	2023/24	2022/23	2023/24	2022/23
College	4.26	5.20	9.56	12.21
Support Staff	5.14	6.46	10.81	14.09
Lecturing Staff	3.65	4.37	8.06	9.94

Sickness absence rates have decreased from 2022/23. In 2022-23 there was an increased number of staff experiencing significant long-term medical issues.

Staff Turnover

Staff turnover for the period 1 August 2023 to 31 July 2024 was 10% (2023: 9.4%). Staff turnover was increased due to the Reform to Save staff exit.

Reputation

The College has a strong reputation locally and nationally and maintaining a quality brand is essential for the College's success in attracting students and external relationships.

Principal Risks and Uncertainties

Northern Regional College is committed to the principles endorsed by the Northern Ireland Audit Office in its guidance "Good Practice in Risk Management".

The College's key principles in relation to risk management and internal control are as follows:

- The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;
- The Principal and Senior Leadership Team support, advise and implement policies approved by the Governing Body;
- Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- Key risks are identified and closely monitored on a regular basis.

College Risk Register

The Risk Register for the College is reviewed and updated quarterly.

See Risk Management Section within Statement of Corporate Governance and Internal Control for details of principal risks facing the College.

Stakeholder Relationships

In line with other Colleges, we have many stakeholders. These include:

- students;
- the Department for the Economy;
- staff;
- local employers;
- local authorities;
- Government Offices / Regional Development Agencies;
- local communities;
- other FE institutions;
- trade unions; and
- professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through a wide variety of channels, both face-to-face and virtual.

The College considers two-way communication with its staff and students to be vital and regular meetings are held. Currently a number of mechanisms are in place to achieve effective internal communications including:

- monthly messages from Principal & Chief Executive;
- student/staff consultative meetings;
- team/department, directorate meetings;
- multi-disciplinary team meetings;
- staff events/conferences;
- student and staff intranets;
- engagement meetings with Chair and Principal;
- College website and social media channels; and
- health and wellbeing events.

Alongside these channels a series of Employee Pulse Surveys has been conducted, with one falling into the reporting timeframe. The survey of all staff was on Improvement and Change. The outcomes have been communicated to staff, as well as informing the need for further exploration in the form of a culture survey.

Equal Opportunities and Employment of Disabled Persons

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

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

Without prejudice to its obligations above, the 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 our 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's Equality Statement states that:

“Northern Regional College is committed to the promotion of equality of opportunity in all of its activities. We aim to ensure that we provide a supportive, fair, inclusive and welcoming

environment for all staff, students and visitors free from any form of discrimination or harassment.”

In 2023/24 the College continued to better promote equality of opportunity and good relations through a wide variety of initiatives, programmes and training including an Anti-Bullying week campaign, Autism Awareness Workshops for students, Skill-Up Programme, Women in STEM project and Cost of Living initiatives.

Disability Statement

The College's Disability Equality Statement sets out the College's commitment to potential and existing employees and students with a disability. The College is committed to:

- A policy of equal opportunity and seeks to ensure that disabled staff and students have equitable access, as far as is reasonably possible, to the full range of facilities, and services provided by the College;
- Creating an environment where those with disabilities are comfortable to disclose details of their disability and are provided with suitable opportunities to disclose at various stages throughout their time at the College;
- Providing access to the appropriate reasonable adjustments to enable the effects of disabilities to be minimised while participating in College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment, and victimisation; and
- Treating all staff and students with dignity and respect and will seek to provide a positive and safe working and learning environment.

Under section 49A of the Disability Discrimination Act (DDA) 1995 (as amended by the Disability Discrimination (Northern Ireland) Order 2006), Northern Regional College as a public authority, when carrying out its functions, has due regard to the need to promote positive attitudes towards disabled people and will encourage participation by disabled persons in public life.

Under section 49B of the Act, the College is committed to the development of a disability action plan which relates to all disabled people including disabled employees, customers, clients and service users, as well as disabled students. This action plan also encompasses College efforts in relation to the Special Education Needs and Disability Order 2005 to ensure the full mainstreaming of all duties.

In 2023/24 the College has continued to implement its Disability Action Plan, with a particular focus this year on mental health and wellbeing.

Disclosure of Information to Auditors

These accounts are subject to audit under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 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; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the College's auditors are aware of that information.

Personal Data Related Incidents

The College had zero personal data related incidents that met the threshold for reporting to the Information Commissioner's Office (ICO) in 2023/24.

Charitable/Political Donations

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

Professional Advisers

External Auditors: **Comptroller and Auditor General**

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

Internal Auditors: **RSM Northern Ireland (UK) Limited**

Number One

Lanyon Quay

Belfast

BT1 3LG

Bankers: **Danske Bank**

Donegall Square West

Belfast

BT1 6JS

Members

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

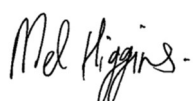
Name	Date of Appointment	Term of Office	Date of Resignation	Status of Appointment	Committees Served
Louise Crilly	13/01/22	12/01/26	28/05/25	Member Member	Audit & Risk Gov Body
Brendan Devlin	01/08/23	31/07/27		Member Member	Audit & Risk Gov Body
Tom Dornan	01/10/23	03/05/24 (Resigned)	03/05/24	Student Member Student Member	Education Gov Body
Philip Graham	07/10/20	06/10/24		Member Chair Member (Co-Opt)	Audit & Risk Education Gov Body
Julie Hemphill	28/07/22	27/07/26		Member Staff Member	Education Gov Body
Mel Higgins (Principal)	08/11/21	Unbounded		Principal & Chief Executive	Resources Education Gov Body
Pauline Martin	13/01/22	12/01/26		Chair Member	Audit & Risk Gov Body
Gary McAllister	13/01/22	12/01/26		Member Member	Education Gov Body
Donal MacAuley	21/07/21	20/07/25		Staff Member Staff Member	Audit & Risk Gov Body
Carla McGovern	01/08/23	31/07/27		Member Member	Resources Gov Body
Denise McIlwaine	13/01/22	12/01/26		Vice-Chair Member	Resources Gov Body
Raymond McKernan	13/01/22	12/01/26		Member Member	Resources Gov Body
Ian Murphy	01/09/18	28/09/26		Chair Member (Co-Opt)	Resources Gov Body
Ken Nelson	01/07/21	30/06/25	30/06/25	Chair	Gov Body

Brendan Patterson	01/08/23	31/07/27		Member Member	Education Gov Body
Simon Shevlin	13/01/22	12/01/26		Vice-Chair Member	Education Gov Body
David Small	13/01/22	12/01/26		Vice-Chair Member Member	Audit & Risk Education Gov Body
Jayne Taggart	01/08/23	31/07/27		Member Member	Resources Gov Body

All members served from 1 August 2023 to 31 July 2024 unless otherwise indicated.

For and on behalf of the members of the Governing Body.

Signed:



Mel Higgins

Accounting Officer

Northern Regional College

Date: 17 June 2026

REMUNERATION REPORT

Overview

The Remuneration and Staff reports set out the College’s remuneration policy for all staff and contributes to the entity’s accountability to the NI Assembly, aligns with best practice with corporate governance and demonstrates transparency.

Members of the Governing Body

There are normally 18 members of the Governing Body, most of whom are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. Of these, six members are appointed in line with statutory requirements. The majority of members are appointed for a fixed period of up to four years and 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. Staff members do not receive remuneration. There are no arrangements in place for the payment of a bonus.

No member of the Governing Body, including the Chairperson but excluding the Principal, receives pension contribution from the College or the Department. The College reimburses the Chairperson and Members of the Governing Body for any incidental expenses incurred for carrying out their duties relevant to the organisation.

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

	2023/2024				2022/2023			
	Salary	Benefits in Kind	Pension benefits	Total	Salary	Benefits in Kind	Pension benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Brendan Patterson	0-5	-	-	0-5	-	-	-	-
Samuel Kevin Chambers	-	-	-	-	0-5	-	-	0-5
Thomas Craig	0-5	-	-	0-5	-	-	-	-
Louise Crilly	0-5	-	-	0-5	0-5	-	-	0-5
Brendan Devlin	0-5	-	-	0-5	-	-	-	-
Philip Graham	0-5	-	-	0-5	0-5	-	-	0-5
William Hutchinson	-	-	-	-	0-5	-	-	0-5
Yvonne Mallon	-	-	-	-	0-5	-	-	0-5
Pauline Martin	0-5	-	-	0-5	0-5	-	-	0-5
Gary McAllister	0-5	-	-	0-5	0-5	-	-	0-5

William McCluggage	-	-	-	-	0-5	-	-	0-5
Carla McGovern	0-5	-	-	0-5	-	-	-	-
Denise McIlwaine	0-5	-	-	0-5	0-5	-	-	0-5
Raymond McKernan	0-5	-	-	0-5	0-5	-	-	0-5
Amy Morrow – Student	-	-	-	-	0-5	-	-	0-5
Ian Murphy	5-10	-	-	5-10	0-5	-	-	0-5
Kenneth Nelson – Chair	20-25	-	-	20-25	20-25	-	-	20-25
Simon Shevlin	0-5	-	-	0-5	0-5	-	-	0-5
David Small	0-5	-	-	0-5	0-5	-	-	0-5
Jayne Taggart	0-5	-	-	0-5	-	-	-	-

The Principal and Senior Leadership Team

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

The Principal and Senior Leadership Team hold permanent appointments. The normal retiring age was previously sixty-five, although staff may retire at any time after age sixty.

Minimum Pay Levels

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

Progression

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

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

Performance Pay

There is no performance pay or related scheme for any of the Senior Leadership Team.

Total Reward Package

Senior staff within the College have access to the Northern Ireland Teachers’ Superannuation Scheme or the Northern Ireland Local Government Superannuation Scheme.

Senior staff posts are based on thirty-six hours per week and post holders have access to the College’s Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All Senior Staff have thirty-five days holiday entitlement and a further twelve statutory and public holidays as recognised by the sector.

Service 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, other than for misconduct, would result in the individual being entitled to receive compensation.

Salary and Pension Entitlements

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

Remuneration (including salary) and Pension Entitlements

Remuneration	2023/2024				2022/2023			
	Salary	Benefits in Kind	Pension Benefits	Total	Salary	Benefits in Kind	Pension Benefits	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Principal & Chief Executive Mr Mel Higgins	110-115	-	25-30	140-145	105-110	-	25-30	130-135
Vice Principal Performance & Development Ms Jenny Small Note 1)	50-55 (85-90 Full year Equivalent)	-	10-15	60-70 (100-105 Full year Equivalent)	45-50 (80-85 Full year Equivalent)	-	10-15	60-65 (95-100 Full year Equivalent)
Vice Principal Teaching & Learning Mrs Christine Brown	90-95	-	20-25	110-115	75-80	-	15-20	95-100

Northern Regional College 2023/24

Chief Operating Officer Mr Sean Laverty	85-90	-	20-25	105-110	75-80	-	15-20	95-100
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* The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Note 1: This member of staff exited the College throughout the 2023/24 financial year on 30th June 2024. The table shows pay for the year. This post only equated to 0.6 FTE.

No member of the Directorate received bonuses, overtime, recruitment and retention allowances, private office allowances and any other allowance to the extent that it is subject to UK taxation.

Off Payroll Engagements

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

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 remuneration (excluding back dated pay award) of the highest-paid director Northern Regional College in the financial year 2023/24 was £110-£115k (2022/23: £105-£110k). The relationship between the mid-point of this band and the remuneration of the College's workforce is disclosed below:

2023/24	25 th Percentile	Median	75 th Percentile
Total Remuneration	27,106	34,587	47,874
Pay Ratio	4.15	3.25	2.35

2022/23	25 th Percentile	Median	75 th Percentile
Total Remuneration	22,338	29,833	34,812
Pay Ratio	4.71	3.53	3.02

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

The 25th percentile, median and 75th percentile remuneration values consist solely of salary payments. In 2023/24, 0 (2022/23, 0) employees received remuneration in excess of the highest paid director.

Remuneration ranged from 2023/24: £0-£5k-to £110-115k (2022/23: £0-£5k to £105-110k).

Fair Pay Disclosures – Percentage Change in Remuneration

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

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

Percentage Change for:	2023/24 compared to 2022/23
Average employee salary and allowances	25.69%
Highest paid director’s salary and allowances	4.65%

There is no performance related pay for the highest paid director or any other employee.

Remuneration Policy and Pay Awards

The Northern Ireland Colleges Employers’ Forum (CEF) is a collaborative network and has the responsibility to arrange for the negotiation of pay, conditions of service and related issues through regional negotiation committees and agreed procedures, on behalf of the six regional colleges. CEF has the authority to sign off collective agreements reached by the relevant negotiating committees.

There are three CEF negotiating committees producing pay grades for each of the following staff groups:

- Principal and Chief Executives and senior staff (deputy directors);
- Lecturers; and
- Non-Teaching staff

The pay of each of these groups, excluding the Principal & Chief Executive, is based on a system of pay scales for each grade, containing a number of pay points from minimum to maximum, allowing progression towards the maximum based on contractual annual increments.

Annual pay awards are made in accordance with Northern Ireland’s public sector pay policy guidance, and in the context of the wider public sector pay policy.

The following pay awards were applied in the 2023-24 financial year:

Staff Category	Period
Senior Staff	1% increase in salary rates from 1 September 2021; 1% increase in salary rates from 1 September 2022; and Non-consolidated payment for those employed during the period 1 September 2021 - 31 August 2022 (calculated at £3,000 gross per Full Time/Whole Time Equivalent).

Lecturers	<p>1% increase in salary rates from 1 September 2021; 1% increase in salary rates from 1 September 2022; and Non-consolidated payment for those employed during the period 1 September 2021 - 31 August 2022 (calculated at £3,000 gross per Full Time/Whole Time Equivalent).</p> <p>Salary scale point 1 of the lecturing scale increased to £30,000 from 1 September 2023; 8.4% increase plus £1,000 on each salary scale point (excluding point 1) relating to Lecturer’s Contract of Employment (i.e. Associate Lecturers, Full-Time Lecturers, Principal Lecturers and Heads of Department) and Part-time Hourly Paid Lecturers from 1 September 2023; and 8.4% increase to allowances i.e. Threshold, Deane, Responsibility and Reorganisation) relating to Lecturer’s Contract of Employment (i.e. Associate Lecturers, Full-Time Lecturers, Principal Lecturers and Heads of Department) from 1 September 2023.</p>
Support Staff	The higher of £1,925 or 3.88% annual increase on each salary scale point from 1 April 2023.

The following anticipated pay awards have been accrued in the 2023/24 financial year:

Staff Category	Period
Senior staff	8.4% increase plus £1,000 on each salary scale point in Principals' and Deputy Directors' salary rates from 1 September 2023.
Support staff	The higher of £1,290 or 2.5% annual increase on each salary scale point from 1 April 2024.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. No senior officials received any benefits in kind.

Pension Entitlements

Officials	Accrued pension at pension age as at 31/07/24 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/07/24	CETV at 31/07/23	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Principal & Chief Executive Mr Mel Higgins	15-20	2.5-5	269	214	55
Vice Principal Performance & Development Ms Jenny Small	5-10	2.5-5	108	80	28
Vice Principal Teaching & Learning Ms Christine Brown	35-40 Plus lump sum 100-105	5-7.5 Plus lump sum 20-22.5	968	836	132
Chief Operating Officer Mr Sean Laverty	0-5	0-2.5	61	33	28

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 are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

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.

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

The 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.

McCloud Ruling Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in 2014. The claimants challenged the transition protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. 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 2023 and therefore the DBO calculated at 31 July 2023 implicitly includes an allowance for the McCloud underpin for past service.

National Employment Savings Trust (NEST) is the workplace pension set up by the government specifically for auto enrolment. It is a defined contribution workplace pension scheme with contributions by the employer. NEST Corporation is the Trustee that runs the NEST scheme. It took over from the Personal Accounts Delivery Authority (PADA), the agency set up by the government to deliver 'personal accounts' – a key element of the auto enrolment policy. 'Personal accounts' became NEST. As a non-departmental public body NEST Corporation is accountable to Parliament through the Department for Work and Pensions but is generally independent of government in its day-to-day decisions.

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, and from 2003/04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NICS pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

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. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 1996 (as amended) and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real increase in CETV

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

Compensation for Loss of Office

The Vice Principal of Performance and Development left under a sector agreed voluntary exit scheme on the 30th June 2024. She received a compensation payment of £15k – 20k. This compensation payment has been included in the Financial Statements for the Year Ended 31st July 2024.

Exit Packages

As part of Reform to Save Scheme, exit packages were payable in the year ended 31 July 2024 as follows:

Exit Package Cost Band	Number of Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages by Cost Band
< £10,000	3	-	3
£10,000 - £25,000	8	-	8
£25,001 - £50,000	5	-	5
£50,001 - £75,000	11	-	11
£75,001 - £100,000	11	-	11
£100,001 - £125,000	2	-	2
£125,001 - £150,000	1	-	1
Total number of Exit Packages	41	-	41
Total Resource Cost (£'000)	2,357	-	2,357

Exit packages comprise contractual and non-contractual severance payments, including redundancy payments, pension strain costs, and other amounts payable in connection with staff departures, as defined by the Government Financial Reporting Manual (FRM), FRS 102, and the Higher and Further Education SORP.

In line with paragraph 7.12 of the FReM and Section 28 of FRS 102 (Employee Benefits), a liability and corresponding expense are recognised when the College is demonstrably committed to making the payment, and it is probable that settlement will be required, with the amount capable of being reliably measured at the reporting date.

For the year ended 31 July 2024:

All exit packages where staff left employment on or before 31 July 2024, and for which a binding agreement existed, have been recognised in full in the 2023/24 financial statements.

Where the staff departure date was after 31 July 2024 but on or before 31 August 2024, and a binding agreement was entered into before 31 July 2024 which committed the College to the payment, the related costs have been accrued in the 2023/24 financial statements. This applies even where the cash settlement took place after the reporting date, provided the obligation existed at 31 July 2024.

Recognition is supported by signed agreements, redundancy calculations, or formal correspondence confirming acceptance of the terms by both parties, together with evidence of the agreed leaving date.

The amounts recognised include direct payments to staff, statutory redundancy entitlements and contractual notice payments, where these form part of the total exit package.

This approach ensures that the financial statements present a complete and accurate record of exit costs relating to the reporting period, consistent with the accruals basis of accounting, the definition of a constructive obligation under FRS 102 paragraph 21.2, and the disclosure requirements of the HE/FE SORP for staff costs.

STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER & GOVERNING BODY

Under Article 6 of the Further Education (Northern Ireland) Order 1997, the Department for the Economy (DfE), with the approval of the Department of Finance (DoF), has directed the Governing Body of Northern Regional College to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction.

The financial statements must be prepared on an accruals basis and provide a true and fair view of the College's financial position and performance for the year, including its income and expenditure, financial position, and cash flows.

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 DoF approval, including relevant accounting and disclosure requirements, and apply suitable accounting policies consistently;
- make judgements and estimates on a reasonable and prudent basis;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the College will continue in operation; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable, and accept personal responsibility for the judgments required in reaching that conclusion.

The Governing Body is also required to prepare an annual Strategic Report, describing the College's objectives, strategy, operations, and legal and administrative status.

The Governing Body is responsible for ensuring effective governance, internal control, risk management, and the economical, efficient and effective use of resources. This includes securing value for money in the use of public funds and ensuring compliance with all relevant legislation, guidance, and best practice.

The Principal and Chief Executive of the College has been designated as its Accounting Officer by the Accounting Officer of DfE. The Accounting Officer's responsibilities are set out in *Managing Public Money* (HM Treasury) and *Managing Public Money Northern Ireland* (DoF), and include:

- the proper stewardship of public funds;
- ensuring the regularity and propriety of expenditure;
- keeping appropriate records to support the accounts;
- safeguarding the assets of the College; and
- ensuring that the College operates within the limits of its delegated authority and in accordance with all relevant guidance.

The Accounting Officer, on behalf of the Governing Body, confirms that all reasonable steps have been taken to ensure that they are aware of any relevant audit information and that the College's external

auditors are also aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware.

The Governing Body is also responsible for the maintenance and integrity of the College's website. The external audit work does not extend to consideration of these matters, and the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were first published online. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL

Introduction

This Governance Statement for Northern Regional College sets out the governance structures, risk management and internal control procedures that operated within the College during the 2023/24 financial year and up to the date of approval of the Annual Report and Accounts. This Governance Statement has been prepared in accordance with guidance issued by the Department of Finance (DoF) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

Scope of Responsibility

The Accounting Officer for the College has responsibility for maintaining a robust governance and risk management structure and a sound system of internal control that supports the achievement of College policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in Managing Public Money Northern Ireland (MPMNI).

In order to manage the College efficiently, the Accounting Officer has been supported by formal governance structures with clear remits, details of which are provided below.

Governing Body

The College's Governing Body comprises of members appointed by the Minister for the Economy, staff and students of the College, the Principal and members co-opted by the Governing Body. The role of the Chair of the Governing Body is separate from the role of the College Principal as Chief Executive and Accounting Officer. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Executive Officers 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. The Governing Body met seven times during the 2023/24 year. The Governing Body committees include a Resources Committee, an Audit & Risk Committee and an Education Committee. All of these committees are formally constituted with terms of reference.

Unreserved minutes of Governing Body meetings are available from the Secretary to the Governing Body and on the College website. The Secretary to the Governing Body maintains a register of financial and personal interests of the Governing Body members and the PA to the Chief Executive maintains a register for members of the Senior Leadership Team. Formal agendas, papers and reports are supplied to the Governing Body members in a timely manner.

Information presented to the Governing Body and its committees is drafted by the appropriate department and proceeds through the necessary internal clearance procedures before being presented as formal agendas, papers and reports to the Governing Body. This ensures a high quality of reliable and up to date information is presented for the Governing Body's consideration.

The Governing Body through its stewardship complies with the Corporate Governance Code.

Attendance during the year at the Governing Body meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mrs Louise Crilly	6	7
Mr Brendan Devlin	7	7
Mr Tom Dornan (Student Governor)	5	5
Mr Philip Graham	7	7
Ms Julie Hemphill (Staff Governor)	7	7
Mr Mel Higgins (Principal & CEO)	7	7
Mrs Pauline Martin	6	7
Mr Donal MacAuley (Staff Governor)	5	7
Mr Gary McAllister	6	7
Mrs Carla McGovern	6	7
Ms Denise McIlwaine	7	7
Mr Raymond McKernan	6	7
Mr Ian Murphy (Vice-Chair)	7	7
Mr Ken Nelson (Chair)	7	7
Mr Brendan Patterson	7	7
Mr Simon Shevlin	7	7
Mr David Small	7	7
Mrs Jayne Taggart	7	7

A minimum of six members of the Board must be present for the meeting to be deemed quorate. All Board meetings during the 2023/24 financial year were fully quorate.

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication from the College's auditors, which is not controlled by College management. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met four times during the 2023/24 year. Discussion included reports from the External and Internal Auditors and the relevant responses.

It also receives and considers reports from the Department for the Economy. It reviews the College's 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 meets with auditors on their own for an independent discussion once a year, prior to a meeting of Committee.

Attendance during the year at the Audit Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mrs Louise Crilly	2	4
Mr Brendan Devlin	4	4
Dr Philip Graham	4	4
Mrs Pauline Martin (Chair)	4	4
Mr Donal MacAuley (Staff Member)	3	4
Mr David Small (Vice-Chair)	4	4

Resources Committee

The Resources Committee supervises all matters relating to the finance and resources (staffing and other resources) of the College. The Committee is responsible for ensuring the College meets its statutory obligations under section 75 of the NI Order (1998). The Committee met seven times during the 2023/24 year. The three additional meetings called during the year were as a result of the exceptional budgetary situation.

Attendance during the year at the Resources Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mr Mel Higgins (Principal & CEO)	6	7
Ms Denise McIlwaine (Vice-Chair)	6	7
Mr Raymond McKernan	6	6
Mrs Carla McGovern	4*	6
Mr Ian Murphy (Chair)	7	7
Mrs Jayne Taggart	4	7

* Mrs McGovern was absent due to a period of leave

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. The Committee met five times during the 2023/24 year.

Attendance during the year at the Education Committee meetings was as follows:

Member	Meetings Attended	Out of a Possible
Mr Tom Dornan (Student Governor)	2	4
Dr Philip Graham (Chair)	5	5
Ms Julie Hemphill (Staff Governor)	5	5
Mr Mel Higgins (Principal & CEO)	4	5
Mr Gary McAllister	4	5
Mr Brendan Patterson	5	5
Mr Simon Shevlin (Vice-Chair)	5	5
Mr David Small	5	5

Governing Body Performance and Effectiveness

On 6 February 2024, the Governing Body with the Senior Leadership Team and key members of the Senior Management Team met for a strategy workshop. The Deputy Secretary, Skills and Education Group and the Director of Further Education were invited to address the workshop. External speakers gave overviews of key FE NI manufacturing, sustainability and workforce strategic policies and workforce effects that would influence the College plan. The group drafted and agreed the key strategic themes and priorities arising from the impact, challenges and opportunities presented by the external environment.

The Governing Body completed the self-assessment exercise organised by the Department (as per FE Circular FE 06/12). The results of the analysis report, along with actions and proposals for moving forward, were considered by the Governing Body at the meeting on 22 November 2023.

A schedule of membership and attendance at Governing Body and Committee meetings for the 2023/24 year is shown in the tables above. In total there were twenty-three meetings of the Governing Body and its various subcommittees during 2023/24. Average attendance of governors, excluding staff and student representatives, recorded at Governing Body meetings during 2023/24 was 94.4% (87.8% for 2022/23).

In conclusion the Governing Body and Committees of the Northern Regional College met regularly and conducted business effectively during 2023/24.

Senior Leadership Team

The Senior Leadership Team (SLT) of the College consists of:

- Principal;
- Chief Operating Officer;
- Vice Principal Performance and Development*; and
- Vice Principal Teaching & Learning.

The purpose of the SLT is to act as the strategic leadership forum within the College. The SLT is responsible for the operational implementation of the vision and objectives agreed by the Governing Body.

The Senior Management Team comprises the SLT and all Heads of Department (academic and support).

*Member of staff left on 30th June 2024

Risk Management

The College is committed to the principles endorsed by Northern Ireland Audit Office in its guidance “Good Practice in Risk Management”.

By adopting the above risk management principles, and embedding a culture of effective risk management, the College’s key principles in relation to risk management and internal control are as follows:

- The Governing Body has responsibility for determining the risk appetite of the College and overseeing risk management within the College as a whole;

- The Principal and Senior Management Team support, advise and implement policies approved by the Governing Body;
- Senior and middle managers are responsible for encouraging good risk management practice within their designated managed area; and
- Key risks will be identified and closely monitored on a regular basis.

The Accounting Officer has responsibility for maintaining a sound system of internal controls that supports the achievements of aims and objectives, whilst safeguarding the public funds and College assets. This includes having a system in place to ensure that all business areas identify the key risks to the achievement of the organisation’s objectives. The Accounting Officer reports annually on the College’s system of internal control in the Governance Statement.

The College has an outsourced internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual internal audit plan approved by the Governing Body.

The internal auditors report to the Accounting Officer and to the Audit & Risk Committee on a regular basis and have direct access to the Governing Body and to the Chairman of the Audit & Risk Committee. Internal Audit has issued an Assurance Statement that provides an opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

The principal risks facing the College at 31 July 2024 have been identified as:

Risks	Description
1	The College does not meet enrolment targets
2	The College does not improve the quality of education
5	The College does not achieve sustainable financial health impacting successfully delivering CDP targets and outcomes
6	The College does not comply fully with information governance legislation (FOI, DPA, GDPR, EIR & PECR)
7	The College suffers delayed/reduced enrolments due to Learner Management System not meeting operational capacity at enrolment
9	The College fails to deliver full educational programme due to the potential for industrial action caused by not providing a lecturing pay increase for revalorisation
10	The College fails to deliver the agreed Estates rationalisation programme to current timescales resulting in suboptimal learning environment for students
12	The College is subject to cyber-attack causing widespread disruption and an inability to deliver business functions
13	College WBL students, external employers and College reputation impacted due to implementation of DfE / FE sector-wide TAMS system (NOTE 2)

In addition to the above, a risk register was managed for the College new build estates project and reported via the New Build Project Board.

Note 1: Risks 3, 4, 8 and 11 were removed from Corporate Risk Register to Departmental Risk Register in year.

Note 2: Risk 13 was added to the Corporate Risk Register in 2022/23.

Due to the delay by the College in completing the annual accounts for July 2024 a separate Risk Register and Improvement Plan was added to reflect the steps being taken to improve the quality and timeliness of accounts production.

Key Control Issues

The College recognises that robust internal controls are essential to maintaining the integrity of the financial management, regulatory compliance, and overall operational effectiveness.

During the year, the College faced significant challenges in meeting its financial reporting obligations. Delays in the completion of the July 2024 annual accounts resulted in an extended audit process and ultimately to NIAO disclaiming the audit opinions on the College's July 2024 financial statements, reflecting material weaknesses in the financial reporting control environment. The Comptroller and Auditor General has reported at pages 99 to 106 on these matters

These issues have resulted in continued delays and increase risk in relation to governance, oversight and regulatory compliance, and the risk remains high.

The College is implementing a comprehensive recover plan, supported by enhanced control frameworks and internal audit activity. Progress is subject to regular and enhanced oversight by Financial Management Oversight Committee (FMOC), Audit and Risk Committee (ARC) and Governing Body (GB), with structured reporting and monitoring of improvement actions.

Management remains committed to strengthening the control environments and restoring, high-quality financial reporting, and maintain trust among students, parents, staff and other stakeholders.

Fraud Reporting

The anti-fraud and bribery policy 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 fraud response plan is a procedural guide and provides a checklist of the required actions which must be followed in the event of a fraud, attempted fraud or irregular activity being suspected.

Raising Concern / Whistleblowing

There were eleven raising concerns instances during the year: one upheld, one partially upheld, one moved to disciplinary and eight not upheld.

Internal Audit

The College's Internal Audit function is outsourced to RSM Northern Ireland (UK) Limited, following a sector wide procurement exercise in 2020. The main remit of the Internal Audit function is to provide

the Accounting Officer with an independent and objective opinion on the overall adequacy and effectiveness of the organisation’s risk management, control and governance processes.

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

The Audit & Risk Committee set an audit strategy and work plan for the financial year 2023/24, which was carried out by RSM. For the period 2023/24 RSM has reported an overall **satisfactory** audit opinion on the College’s system of governance, risk management and internal control. Satisfactory is the highest assurance rating available.

A summary of the internal audit work and the assurance ratings for each is shown below:

Area Reviewed:	Assurance Rating
Exams	Satisfactory
Health & Safety	Satisfactory
Procurement & Contract Management	Satisfactory
Training Assistance Management System (TAMS)	Satisfactory
Student Enrolments	Satisfactory

All internal audit recommendations have either been addressed during the year or are still being implemented. Progress reporting on any outstanding audit recommendations is presented to the Audit & Risk Committee.

Information Assurance

Effective information security is a key priority for the College and it recognises that stringent principles of information security must be applied to all information it holds. The College did not report any data incidents to the Information Commissioner’s Office (ICO) in 2023/24.

Signed:



Mel Higgins

Accounting Officer

Northern Regional College

Date: 17 June 2026

ASSEMBLY ACCOUNTABILITY DISCLOSURE

Introduction

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

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 28.

Special Payments

In accordance with the requirements of the Financial Reporting Manual (FRM) and Northern Ireland Assembly disclosure thresholds, individual losses or special payments exceeding £300,000 are required to be disclosed separately.

The College also operates an internal financial policy to disclose any individual loss or special payment exceeding £2,000 within the financial statements, in the interests of transparency and good governance.

No losses or special payments exceeded the Assembly's £300,000 disclosure threshold in the year.

There was one loss or special payment exceeding £2,000 for the year (College internal policy threshold). This amounted to £20k (2023: £4k). This payment was also irregular- further details set out below.

Total claims abandoned for the year related to bad debt written off totalling £10k in relation to 33 cases. (2023: £5k, 23 Cases).

Special payments and losses are disclosed in Note 28 in line with internal College policy on Losses and Special Payments.

Irregular Expenditure

During the year, the College implemented a Voluntary Severance Scheme (VSS), incurring expenditure of £2,357k in relation to 41 employees that left employment under the scheme.

An overpayment of £20k has been identified which does not comply with the scheme rules or the requirements of Managing Public Monies Northern Ireland (MPMNI) and has been classified as irregular expenditure.

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.

THE CERTIFICATE OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Disclaimer of opinion on financial statements

I certify that I was appointed to audit the financial statements of the Northern 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 Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position and, Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I was also appointed to audit certain information in the Remuneration Report.

I do not express an opinion on the financial statements of the Northern Regional College. Because of the significance of the matters described in the “Basis for disclaimer of opinions” section of my certificate, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Disclaimer of opinion on regularity

I do not express an opinion on the regularity of the transactions recorded in the financial statements for the Northern Regional College. Because of the significance of the matters described in the “Basis for disclaimer of opinions” section of my certificate, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion about whether, in all material aspects, 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 disclaimer of opinions

As I have been appointed 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, I am unable to withdraw from this engagement, so I have instead disclaimed my opinions on the Northern Regional College 2023-24 financial statements.

I have fundamental concerns about the robustness of the underlying financial control environment operating within the College during 2023-24. I also found significant deficiencies in the accounting records and explanations that were provided by the College in support of the figures in the financial statements. As a result of the poor quality of the records and explanations provided, I was unable to obtain sufficient and appropriate audit evidence to support an audit opinion.

The College produced seven updated versions of the financial statements following the version initially submitted for audit. These updated versions were to adjust for material errors discovered during audit fieldwork.

In addition, a wide range of material amendments were required to the disclosures in the Statement of Changes in Reserves. The material adjustments made to the financial statements are indicative of the significant control deficiencies identified within the College.

In addition, there were gaps in assurance in many account areas where sufficient and appropriate audit evidence was not available to support material figures.

Consequently, I am unable to determine the full extent of any adjustments necessary to the transactions and balances in the financial statements or the consequential effect on the financial statements for the year ended 31 July 2024.

I have been unable to obtain all the information and explanations I considered necessary for my audit. There are no additional appropriate audit procedures that I could perform to gain the assurance that I need. Since I consider the possible effects on the financial statements of undetected misstatements could be both material and pervasive, I have disclaimed my audit opinion.

Regularity

In disclaiming my true and fair opinion on the financial statements, I consider that the overall engagement risk in relation to my opinion on regularity is increased. The key factors affecting this judgement are the lack of assurance over the accuracy and completeness of transactions included within the financial statements upon which the regularity opinion would be based.

In the context of the disclaimer of my true and fair opinion on the financial statements, I have therefore concluded that the level of engagement risk is such that I do not believe that reasonable assurance can be obtained over the regularity of transactions.

Matters on which I report by exception

In respect solely of the matters referred to in the “Basis for disclaimer of opinions” section above:

- the financial statements are not in agreement with the accounting records;
- adequate accounting records have not been kept; and
- I have not received all of the information and explanations I require for my audit.

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

- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; 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;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the Northern Regional 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 Northern Regional College will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

I was appointed 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 responsibility is to conduct an audit in accordance with ISAs (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. However, because of the matters described in the "Basis for disclaimer of opinions" section of my certificate, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an opinion on the financial statements for the Northern Regional College.

Those standards require me to comply with the Financial Reporting Council's Revised Ethical Standard 2019. My staff and I are independent of the Northern Regional 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. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

Report

My detailed observations are included in my report attached to the financial statements at Appendix 1 pages 99 to 106



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

22 June 2026

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

	Notes	2024	Restated 2023
		£'000	£'000
Income			
Department for the Economy income	1	35,695	30,668
Education contracts	2	3,012	2,591
Tuition fees and charges	3	1,296	1,646
Other grant income	4	143	130
Other operating income	5	567	544
Investment income	6	263	142
Donations and endowments	7	-	-
Total income		40,976	35,721
Expenditure			
Staff costs	8	27,088	26,358
Other operating expenses	10	8,708	8,476
Interest and other finance costs	11	2	222
Depreciation/Amortisation	13/14	4,416	4,412
Total expenditure		40,214	39,468
Surplus /(Deficit) before exceptional items		762	(3,747)
Exceptional Item: Holiday Pay Liability	8	(43)	(38)
Exceptional Item: Extraordinary Payments	31	(3,024)	-
(Deficit)/Surplus before tax		(2,305)	(3,785)
Profit / (Loss) on disposal of Fixed Assets	13	144	-
Taxation	12	-	-
(Deficit)/Surplus for the year		(2,161)	(3,785)

OTHER COMPREHENSIVE INCOME:

Unrealised surplus / (deficit) on revaluation of land and buildings	13	7,410	2
Actuarial (loss) / gain in respect of pension scheme	22	2,287	10,629
Adjustment to gain in respect of pension scheme	22	*(2,341)	(3,918)
Interest adjustment due to irrecoverable pension surplus	22	(201)	-
Total comprehensive income for the year		4,994	2,928
Represented by:			
Endowment comprehensive income for the year	6	3	3
Unrestricted comprehensive income for the year		4,991	2,925

**Adjustment to 2023 Comparative in relation to the adjustment to gain in respect of pension scheme asset per direction from Northern Ireland Audit Office to all Further Education Colleges. See also Statement of Changes in Reserves and Statement of Changes in Financial Position.*

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

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

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	I&E Reserve	Pension Reserve	Unrestricted (including Pension)	Endowment Reserve	Revaluation Reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2023 (restated)	1,612	(34)	1,578	64	41,320	42,962
Historical difference in NRC Reserves Brought Forward (Deficit)	-	-	-	-	-	-
Surplus from income and expenditure statement	(2,217)	56	(2,161)	-	-	(2,161)
Other Comprehensive Income	-	(54)	(54)	-	7,410	7,356
Adjustment to Reserves (Backlog depreciation)	-	-	-	-	(57)	(57)
Transfers between revaluation and income and expenditure account	3,386	-	3,386	-	(3,386)	-
Other recognised gains/losses	-	-	-	-	-	-
Balance at 31 July 2024	2,781	(32)	2,749	64	45,287	48,100

	I&E Reserve	Pension Reserve	Unrestricted (including Pension)	Endowment Reserve	Revaluation Reserve	Total Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	2,569	(5,991)	(3,422)	64	40,206	36,848
Historical difference in NRC Reserves brought forward (Deficit)	3	-	3	-	-	3
Surplus from income and expenditure statement	(3,031)	(754)	(3,785)	-	-	(3,785)
Other Comprehensive Income	-	6,711	6,711	-	3,185	9,896
Transfers between revaluation and income and expenditure account	2,071	-	2,071	-	(2,071)	-
Balance at 31 July 2023 restated	1,612	(34)	1,578	64	41,320	42,962

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

STATEMENT OF FINANCIAL POSITION

	Notes	2024 £'000	2023 Restated £'000
Non Current Assets			
Property, Plant and Equipment	13	133,974	100,811
Intangible assets	14	204	254
Total non current assets		134,178	101,065
Current assets			
Trade and other receivables	16	9,663	7,739
Cash and cash equivalents	21	486	4,657
Total current assets		10,149	12,396
Less: Payables - amounts falling due within one year	17	10,301	11,439
Net current (liabilities)/assets		(152)	957
Total assets less current liabilities			
		134,026	102,022
Less : Payables: amounts falling due after more than one year	18	85,088	58,435
Provisions:			
Pension provisions	19	(32)	(34)
Other provisions	19	(806)	(591)
Net Assets including pension liability		48,100	42,962
Unrestricted Reserves			
Income and expenditure account (exc. Pension)	SoCE	2,781	1,612
Pension Reserve	SoCE	(32)	(34)
Income and expenditure account (Inc. Pension)		2,749	1,578
Revaluation Reserve	SoCE	45,287	41,320
Restricted Reserves			
Endowments	20	64	64
Total Reserves		48,100	42,962

The financial statements on pages 59 to 98 were approved by the Governing Body of the Northern Regional College on 17 June 2026 and were signed on its behalf by:



Colm McKenna
Interim Chair of the Governing Body
Northern Regional College
Date: 17 June 2026



Mel Higgins
Accounting Officer
Northern Regional College
Date: 17 June 2026

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

STATEMENT OF CASHFLOWS

	Notes	2024	2023
		£'000	£'000
Cash inflow/ (outflow) from operating activities			
(Deficit) / Surplus for the Year		(2,161)	(3,785)
Adjustment for non-cash items			
Depreciation/Amortisation	13/14	4,416	4,412
Profit on Disposal of Fixed Assets	13	(144)	-
(Increase)/ Decrease in receivables	16	(1,846)	(4,256)
Increase / (Decrease) in payables less one year	17	(1,138)	4,289
Increase / (Decrease) in payables more one year	18	26,653	29,904
Other Provisions	19	215	(90)
Pension cost less contributions payable	22	(58)	532
Pension interest cost	22	2	222
Adjustment for investing or financing activities			
Investment income	6	(263)	(142)
Net Cash inflow / (outflow) from operating activities		25,676	31,086
Cash flows from investing activities			
Investment income	6	263	142
Proceeds from sale of fixed assets		144	
Payments made to acquire fixed assets	13/14	(30,254)	(32,343)
(Decrease)/Increase in cash and cash equivalents in the year		(4,171)	(1,115)
Net funds at 1 August	21	4,657	5,772
Net funds at 31 July	21	486	4,657

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 PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

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 Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 amounts.

They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

Critical accounting judgements and estimates

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates and assumptions. It also necessitates the exercise of judgement by management in the application of the College's accounting policies. The areas involving the most significant levels of judgement or complexity, or where assumptions and estimates have a material impact on the financial statements, are outlined below.

Pension liability

Judgements in relation to the College's pension schemes are disclosed in the accounting policy note and in Note 22 (pages 85 to 92).

The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates, are presented in Note 22.

Property, Plant and Equipment

Land and buildings, including assets inherited from the Education and Library Board, are stated in the Statement of Financial Position at depreciated replacement cost including irrecoverable VAT, as open market value for existing use is not readily obtainable.

Freehold buildings are depreciated over their estimated useful economic lives as advised by Land and Property Services. Depreciation for all other tangible fixed assets is calculated based on management's assessment of each asset's useful economic life and estimated residual value.

Revisions to the estimated useful economic lives or residual values of assets are treated as changes in accounting estimates in accordance with FRS 102. These estimates are reviewed on a periodic basis to reflect the most up-to-date information available regarding the condition, functionality, and expected future use of the assets.

Such changes may arise due to updated guidance from Land and Property Services, strategic decisions affecting asset use, refurbishment activity, or new information relating to technological obsolescence

or physical deterioration. Any resulting changes in depreciation are applied prospectively and may affect both the annual depreciation charge and the carrying amount of the assets. This process ensures that the depreciation recognised in the financial statements reflects the pattern in which the economic benefits of the assets are consumed.

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.

Going concern

In accordance with the requirements of FRS 102 Section 3.8, IAS 1 (as adapted by the Government Financial Reporting Manual), and Managing Public Money NI, the College has assessed its ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements.

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 liquidity, and any borrowings are described in the financial statements and accompanying notes.

Northern Regional College is a Non-Departmental Public Body (NDPB) sponsored by the Department for the Economy (DfE). The College's activities are primarily funded through recurrent and capital grant allocations from DfE, supplemented by other grant income and self-generated income. For the year ended 31 July 2024, 87% (2023: 86%) of total income was derived from DfE funding.

The College's financial plans and budgets are subject to annual approval by DfE, and the College operates within the budgetary framework set by the Department in accordance with Managing Public Money NI. The Department has issued the College with an opening resource and capital budget for 2024/25. While budgetary pressures continue across the Northern Ireland public sector, the Department has confirmed that it intends to provide sufficient resources to enable the College to deliver its statutory functions and to meet its liabilities as they fall due.

In forming this assessment, the College has considered:

- The approved 2024/25 budget allocation and indicative funding profile from DfE;
- The College's cash balance of £486k at 31 July 2024 (2023: £4,657k) and the expected profile of DfE cash drawdowns for 2024/25;
- Ongoing delivery of the DfE-funded Ballymena campus capital project and associated contractual commitments;
- The continued delivery of efficiency measures, cost controls, and income diversification initiatives;
- Risk mitigations set out in the College Risk Register, reviewed quarterly by the Audit & Risk Committee.

The Governing Body has also considered the potential impact of adverse scenarios, including further reductions in recurrent grant, delays in capital drawdowns, and higher-than-anticipated cost pressures. Mitigating actions available to the College include:

- Phasing or deferring non-essential expenditure;

- Prioritisation of capital projects in consultation with DfE;
- Active budget monitoring and early engagement with DfE on emerging funding pressures.

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 a going concern basis for the preparation of these financial statements.

There are no material uncertainties related to events or conditions that cast significant doubt on the College's ability to continue as a going concern within the meaning of IAS 1.25.

Basis of consolidation

The College has no subsidiaries.

Recognition of Income

Government Grants

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)

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

Other Capital Grants

Other capital grants 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.

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 in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Statement of Financial Position.

Property, Plant and Equipment

▪ Land and buildings

Land and buildings (including those inherited from the former Education and Library Board) are stated in the Statement of Financial Position at valuation on the basis of depreciated replacement cost (inclusive of VAT), as the open market value for existing use is not readily obtainable. 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. Land and buildings acquired since the last valuation are included in the Statement of Financial Statement at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by Land and Property Services (LPS). 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 are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. 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 income and expenditure account in the period of acquisition. Assets other than land and buildings inherited from the former Education and Library Board are included in the Statement of Financial Position at valuation. All other assets are capitalised at cost.

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

Computers	- three years straight-line
Motor vehicles	- four years straight-line
Plant and equipment	- five years straight-line
Fixtures and fittings	- seven years straight-line

• 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 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, should be capitalised. Software integral to an item of hardware should be dealt with as fixed assets.

- **Jointly Controlled Assets**

Colleges recognise their individual share of assets that are jointly owned and controlled amongst the Northern Ireland Further Education sector. The assets are classified according to their nature.

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 Statement of Comprehensive Income and Expenditure 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 Property, Plant and Equipment as appropriate, where the inputs themselves are Property, Plant and Equipment by nature.

Liquid Resources

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

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 and Care to Learn. 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 27. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.

NOTES TO THE FINANCIAL STATEMENTS

1. DEPARTMENT FOR THE ECONOMY INCOME

	2024	2023
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	30,259	27,367
Release of deferred capital grants	1,729	2,381
Accrued income		
Grant in aid Total	31,988	29,748
Non-grant in aid received from DfE		
Education maintenance allowance (EMA) administration	17	16
Higher Level Apprenticeships	485	381
Voluntary Severance Scheme	2,341	-
Covid-19 Funding	-	-
Ukrainian Scheme	17	44
Skills Intervention	248	338
FE Programme	-	14
Scale X Summit	5	-
ERAP Funding	-	-
Vulnerable Persons Resettlement Scheme (VPRS)	37	48
Worldskills Competition	50	44
Ignite Your Skills	47	35
Step Up	294	-
Productivity Booster	22	-
Multiply	134	-
Sundry	10	-
Non-grant in aid Total	3,707	920
Total DfE income	35,695	30,668

2. EDUCATION CONTRACTS

	2024	2023
	£'000	£'000
Entitlement Framework	220	405
Training for Success/Apprenticeships*	2,792	2,186
Total	3,012	2,591

*TfS/Apprenticeships income is currently treated as revenue due to the commercial nature of the award of contracts.

3. TUITION FEES AND CHARGES

	2024	2023
	£'000	£'000
Higher Education (HE) Income	664	696
Home and other European Union	632	950
Total	1,296	1,646

4. OTHER GRANT INCOME

	2024	2023
	£'000	£'000
European funds	16	36
Other funds	127	94
Total	143	130

5. OTHER OPERATING INCOME

	2024	2023
	£'000	£'000
Catering and residence operations	159	145
Other income generating activities	404	397
Other income	4	2
Total	567	544

6. INVESTMENT INCOME

	2024	2023
	£'000	£'000
Income from endowments	3	3
Other interest receivable	260	139
Total	263	142

7. DONATIONS AND ENDOWMENTS

	2024	2023
	£'000	£'000
New Endowments	-	-
Total	-	-

8. STAFF COSTS

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

	2024	2023
	Number	Number
Governing Body	-	-
Teaching	277	320
Support	109	97
Administration	121	149
Premises	22	20
Total	529	586

*The number of staff within the College decreased due to a sector wide Voluntary Severance Scheme

STAFF COMPOSITION

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

	31 July 2024		
	Male	Female	Total
Principal, Chief Executive and Deputy Directors	2	1	3
Employees	284	430	714

**The total per this table will differ to the total staff persons employed as it is based on average staff numbers at a point in time, it includes all staff including temporary and agency workers.*

STAFF COSTS FOR THE ABOVE POSTS

	2024	2023
	£'000	£'000
Governing Body	66	62
Teaching	14,405	14,122
Support	3,546	3,107
Administration	8,367	7,809
Premises	762	726
Pension Cost	(58)	532
Total (excluding Exceptional Item)	27,088	26,358

Exceptional Item: Holiday Pay Provision (See Note 19) 43 38

Total Staff Costs (including Exceptional Item)	27,131	26,396
Wages & salaries	20,476	20,027
Social security costs	2,048	1,903
Other pension costs (including FRS 102 adjustments)	4,564	4,428
Total (excluding Exceptional Item)	27,088	26,358
Exceptional Item: Holiday Pay Provision (See Note 19)	43	38
Total Staff Costs (including Exceptional Item)	27,131	26,396

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

	Senior Post-holders		Other Staff	
	2024	2023	2024	2023
	No.	No.	No.	No.
£60,001 to £70,000	1	1	73	6
£70,001 to £80,000	-	-	18	7
£80,001 to £90,000	-	-	9	1
£90,001 to £100,000	-	2	-	-
£100,001 to £110,000	1	-	1	-
£110,001 to £120,000	1	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	1	-	-
£140,001 to £150,000	1	-	-	-
£150,001 to £160,000	-	-	-	-
	4	4	101	14

Amounts above include all gross taxable pay to individuals within the financial year plus employer's pension contributions.

9. 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 Senior Leadership Team which comprises the Principal and holders of the other senior posts.

	2024 Number	2023 Number
The number of senior post-holders including the Principal was:	3*	4

*One senior post holder left on the Reform to Save staff exit mid year

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

	2024	2023
	£'000	£'000
Salaries	344	308
Benefits in Kind	-	-
Pension contributions	86	77
Total emoluments	430	385

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

	2024	2023
	£'000	£'000
Salaries	114	106
Pension contributions	29	27
Total	143	133

Compensation for loss of office to a former senior post-holder

	2024	2023
	£'000	£'000
Compensation paid to the former post-holder	17	-
Estimated value of other benefits, including provisions for pension benefits	-	-
Total	17	-

The members of the College other than the Principal and the staff members did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

One member of the Senior Leadership Team exited prior to 31 July 2024 so is included in the number of senior post-holders, and salary payments to that member of staff has been included within the salary tables above.

10. OTHER OPERATING EXPENSES

	2024	2023
	£'000	£'000
Direct teaching	602	496
Direct support	2,721	2,772
Administration	1,806	1,680
Premises costs	3,579	3,528
Total	8,708	8,476

Other operating expenses include:

Auditors' remuneration:

Financial statements external audit*	46	50
National Fraud Initiative external audit	-	1
Internal audit	22	23

*The accrued audit fee remains at £46k (as per the agreed Audit Strategy May 2024). It has not been adjusted, although the final fee is expected to be significantly higher (£180k) due to the complexities and additional audit work.

11. INTEREST AND OTHER FINANCE COSTS

	2024	2023
	£'000	£'000
Net (Gain) / Charge on Pension Scheme (note 22)	2	222
Total	2	222

There was a net gain due to higher rates of return in year end 2024 than in prior years.

Analysis of pension finance costs

	2024	2023
	£'000	£'000
Expected return on pension scheme assets	2,325	1,598
Interest cost	(2,126)	(1,820)
Interest adjustment due to irrecoverable surplus	(201)	-
Net charge to other finance costs	(2)	(222)

12. TAXATION

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

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Assets under construction	Plant & Equipment	Computer Equipment	Fixtures & Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	8,315	43,336	47,453	8,669	7,502	1,162	484	116,921
Prior Period Adjustment	-	3,371	-	-	-	-	-	3,371
Restated Opening Balance	8,315	46,707	47,453	8,669	7,502	1,162	484	120,292
Revaluations due to indexation	-	1,075	-	-	-	-	-	1,075
Additions	-	150	26,716	453	1,996	789	123	30,227
Adjustment in respect of revaluation	-	6,335	-	-	-	-	-	6,335
Reclassification to asset held for sale	-	(78)	-	-	-	-	-	(78)
Transfers ¹	-	44,017	(44,017)	-	-	-	-	-
Disposals	-	-	-	-	-	-	(128)	(128)
	8,315	98,206	30,152	9,122	9,498	1,951	479	157,723
Opening Depreciation	-	(4,829)	-	(7,096)	(6,514)	(375)	(480)	(19,294)
Prior Period Adjustment	-	(187)	-	-	-	-	-	(187)
Restated Opening Balance	-	(5,016)	-	(7,096)	(6,514)	(375)	(480)	(19,481)
Disposals	-	-	-	-	-	-	128	128
Depr'n charge for year	-	(2,798)	-	(537)	(824)	(147)	(33)	(4,339)
Backlog Depreciation	-	(57)	-	-	-	-	-	(57)
Cum Depn at 31 July 2024	-	(7,871)	-	(7,633)	(7,338)	(522)	(385)	(23,749)
Net Book Value at 31 July 2024	8,315	90,335	30,152	1,489	2,160	1,429	94	133,974
Restated Net Book Value at 31 July 2023	8,315	41,691	47,453	1,573	988	787	4	100,811

¹ Transfers represent the reclassification of completed assets from Assets Under Construction to the relevant operational category (e.g. Land and Buildings) upon the asset being available for use. In accordance with FRS 102 Section 17 and the Government Financial Reporting Manual (FRM), such reclassifications do not constitute additions or disposals, but reflect a change in classification within Property, Plant and Equipment. Assets are transferred at cost and depreciation commences in the month following they are brought into use.

Indices, provided by Land and Property Services, were applied to the College's Land and Buildings (not impacted by the new build project) to provide valuations at 31 July 2024. This resulted in an increase of £1,075k. With the new build at Coleraine now operational, the value of this, being £44,017k, was moved from Assets Under Construction to Land and Buildings. The total net book value of Land and Buildings, excluding assets under construction at 31 July 2024, is £98,650k, with assets under construction totalling £30,152k.

(Profit) / Loss on Disposal of Fixed Assets	2024	2023
	£'000	£'000
Net Book Value a 1 August 2023	-	-
Proceeds on Disposal	(144)	-
(Profit) / Loss on Disposal	(144)	-

If inherited land and buildings had not been revalued, they would have been included at the following amounts:

	2024	2023
	£'000	£'000
Cost	13,404	13,404
Aggregate depreciation based on cost	(5,653)	(5,256)
Net book value based on cost	7,751	8,148

The net book value of Property, Plant and Equipment includes an amount of £0k (2023: £0k) in respect of assets held under finance leases.

The depreciation charge for the year is analysed as follows:

	2024	2023
	£'000	£'000
Owned assets	6,178	4,335
Assets held under finance leases and hire purchase arrangements	-	-
Net book value based on cost	6,178	4,335

14. INTANGIBLE ASSETS

	Intangible Assets	Total Assets
	£	£
Opening Balance	424	424
Prior Period Adjustment	-	-
Restated Opening Balance	425	425
Revaluations due to indexation	-	-
Additions	27	27
Adjustment in respect of revaluation	-	-
Reclassification to asset held for sale	-	-
Disposals	-	-
	451	451
Opening Depreciation	(170)	(170)
Prior Period Adjustment	-	-
Restated Opening Balance	(170)	(170)
Revaluations	-	-
Disposal	-	-
Elimination in respect of revaluation	-	-
Depr'n charge for year	(77)	(77)
Cum Depn at 31 July 2024	(247)	(247)
Net Book Value at 31 July 2024	204	204
Net Book Value at 31 July 2023	254	254

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset is a Learner Management System that will be operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department for the Economy.

15. INVESTMENTS

The College does not have any subsidiary companies.

16. TRADE AND OTHER RECEIVABLES

	2024	2023
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	740	612
Prepayments and accrued income	(64)	550
Amounts due from the Department	8,909	6,577
Assets held for sale	78	-
Total receivables	9,663	7,739

17. PAYABLES: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2024	2023
	£'000	£'000
Payments received in advance	165	132
Trade payables	1,321	3,585
Taxation and social security	480	1,008
Accruals and deferred income	8,330	6,532
Amounts owed to the Department	5	182
Total	10,301	11,439

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	2024	2023
	£'000	£'000
Deferred Capital Grant Income	3,366	1,668
Total	3,366	1,668

18. PAYABLES - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024	2023
	£'000	£'000
Deferred Capital Grant Income	85,088	58,435
Total	85,088	58,435

19. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Holiday Pay	Other	Total
	£'000	£'000	£'000	£'000
At 1 August 2023	34	591	-	625
Additions / (Release)	-	-	215	215
Expenditure in the period	(56)	43	-	(13)
Transferred to Accruals	-	(43)	-	(43)
Transferred to statement of comprehensive income and expenditure	54	-	-	54
At 31 July 2024	32	591	215	838

	Pensions	Holiday Pay	Other	Restated Total
	£'000	£'000	£'000	£'000
At 1 August 2022	5,991	681	-	6,672
Expenditure in the period	754	38	-	792
Transferred to Accruals	-	(128)	-	(128)
Transferred to statement of comprehensive income and expenditure	(6,711)	-	-	(6,711)
At 31 July 2023	34	591	-	625

The Pensions provision disclosed above relates to Pensions and Similar Obligations – see Note 22.

The Holiday Pay provision of £591k relates to a holiday pay liability arising from the Court of Appeal judgment (17 June 2019) in *PSNI v Agnew*. This judgment determined that claims for historic holiday pay shortfalls can be taken back to 1998, removing the previously accepted two-year limit in Northern Ireland.

The PSNI appealed the decision to the Supreme Court. Proceedings were paused in 2021 to allow for mediation; however, in March 2022 the PSNI was unable to obtain the necessary Department of Finance authorisation to agree a potential settlement. The Supreme Court heard the appeal on 14–15 December 2022 and delivered its ruling on 5 October 2023, dismissing the appeal and upholding the Court of Appeal's judgment in full.

In line with Department of Finance guidance for Departmental Annual Reports and Accounts (FD (DoF) 08/20), the College's provision covers the period from 1998 to 31 July 2020. The decrease from the prior year reflects the change in Employer National Insurance rate from 15.05% to 13.8%. The provision is gross, inclusive of PAYE and employee National Insurance, and includes an uplift of £61k (2023: £67k) in respect of Employer NICs at 13.8%.

Significant estimation uncertainty

There are a number of areas of material uncertainty in relation to this estimate:

1. **Sector-specific application** – The practical outworking of the Supreme Court judgment and its detailed application to the Further Education sector in Northern Ireland.
2. **Historic payroll data limitations** – The lack of complete payroll records before 2008/09, requiring the use of extrapolation and estimation techniques.
3. **Trade Union negotiations** – The outcome of ongoing engagement and potential negotiations with recognised Trade Unions, including the possibility of collective bargaining settlements.
4. **Legal interpretation** – The requirement to obtain legal advice on the application of the judgment to the College's specific circumstances.
5. **Tax/NIC rate changes** – The provision being gross of deductions, and therefore sensitive to changes in tax/NIC rates between the provision date and settlement.
6. **HMRC guidance** – Ongoing discussions with HMRC regarding the tax treatment of any settlements.
7. **Sector-wide policy direction** – The Department for the Economy (DfE) has not yet issued sector-specific implementation guidance following the Supreme Court decision, which could alter the calculation methodology.
8. **Eligibility scope** – Uncertainty over which categories of staff (e.g., part-time, term-time, casual, or variable-hours contracts) may fall within the scope of the judgment.
9. **Case law developments** – Potential future legal cases could further clarify or extend the interpretation of *Agnew*.
10. **Data integrity risks** – Historical payroll records may contain errors or inconsistencies in overtime/allowance records that could materially affect the liability calculation if corrected.
11. **Potential offsetting arrangements** – Any sectoral or College-level collective bargaining agreements could partially offset the liability through compensatory mechanisms or phased payments.
12. **Inflationary adjustments** – Changes in pay rates, overtime multipliers, or contractual allowances before settlement could increase the liability beyond current estimates.

The estimate has been prepared in accordance with Department of Finance methodology and is based on the best information currently available; however, there remains significant uncertainty over both the amount and timing of any potential settlement.

Other relates to provision in respect of membership to the Northern Ireland Teachers Pension Scheme (NITPS).

20. ENDOWMENT RESERVES

	2024	2023
	£'000	£'000
At 1 August	64	64
New endowments	-	-
At 31 July	64	64

21. CASH AND CASH EQUIVALENTS

	At 1 August 2023	Cash flows	At 31 July 2024
	£'000	£'000	£'000
Cash and cash equivalents	4,657	(4,171)	486

22. 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	Restated 2023
	£'000	£'000
NITPS: Contributions paid	3,243	2,707
NILGOSC: Contributions paid	1,379	1,189
NILGOSC: FRS 102 (28) adjustments	(58)	532
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure	1,321	1,721
Enhanced pension charge to the Statement of Comprehensive Income and Expenditure	-	-
Total pension cost for year	4,564	4,428

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 2024 and NILGOSC was 31 March 2024.

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.

The Public Service Pensions Act (Northern Ireland) 2014 provides for the closure of existing public sector 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 Government Actuary's Department values the scheme every 4 years with an interim valuation in the intervening 2-year period using the projected accrued benefit method.

The employer contribution rate increased from 25.1% to 29.1% from 1 April 2024.

The salary bands applicable to member contributions for the NITPS, based on a member's annual salary rate (actual earnings) are:

Actual annual pensionable earnings 01 April 2023 - 31 March 2024	Actual annual pensionable earnings 01 April 2024 - 31 March 2025	Contribution Rate
£0 to £32,135.99	£0 to £34,289.99	7.40%
£32,136 to £43,259.99	£34,290 to £46,158.99	8.60%
£46,159 to £51,292.99	£46,159 to £54,729.99	9.60%
£51,293 to £67,979.99	£54,730 to £72,534.99	10.2%
£67,980 to £92,697.99	£72,535 to £98,908.99	11.3%
£92,698 and above	£98,909 and above	11.7%

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

NILGOSC

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

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

Actual annual pensionable earnings 01 April 2023 - 31 March 2024	Actual annual pensionable earnings 01 April 2024 - 31 March 2025	Contribution Rate
£0 to £16,900	£0 to £18,000	5.50%
£16,901 to £26,000	£18,001 to £27,700	5.80%
£26,001 to £43,400	£27,701 to £46,300	6.50%
£43,401 to £52,800	£46,301 to £56,300	6.80%
£52,801 to £104,700	£56,301 to £111,700	8.50%
More than £104,700	More than £111,700	10.50%

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2023 by a qualified actuary.

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 in payments/inflation	2.80%	2.85%
Discount rate for scheme liabilities	5.00%	5.10%
Inflation assumption (CPI)	2.80%	2.85%
Future increase in Retail Prices Index (RPI)	3.10%	3.15%

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
Males currently aged 65	21	21.3
Females currently aged 65	23.9	24.1
Active/Deferred Males currently aged 45	21.6/21.9	21.9/22.2
Active/Deferred Females currently aged 45	24.7/25.0	24.9/25.2

	Value at 31 July 2024	Value at 31 July 2023
	£'000	£'000
Equities	20,215	19,409
Property	4,623	4,679
Government Bonds	8,418	8,440
Corporate Bonds	2,129	1,307
Multi Asset Credit	6,563	5,896
Cash / Other	8,674	5,466
Fair Value of Assets	50,622	45,197

Amounts recognised in the Statement of Financial Position

	2024	Restated 2023
	£'000	£'000
Funded Benefits		
Scheme assets	50,622	45,197
Scheme liabilities	(44,162)	(41,279)
Present Value of funded defined benefit obligation	6,460	3,918
Irrecoverable Surplus	(6,460)	(3,918)
Funded Scheme - Net asset/(liability)	-	-
Unfunded Benefits		
Present Value of unfunded deficit	(32)	(34)
Net Liability	(32)	(34)

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

Amounts included in staff costs.

	2024	2023
	£'000	£'000
Employer service cost (net of employee contributions)	(1,164)	(1,721)
Past Service Cost / Curtailment	(157)	-
Total	(1,321)	(1,721)

Analysis of pension finance costs

	2024	2023
	£'000	£'000
Expected return on pension scheme assets	2,325	1,598
Interest cost	(2,126)	(1,820)
Interest adjustment due to irrecoverable surplus	(201)	-
Net gain/(charge) to other finance costs	(2)	(222)

Analysis of other comprehensive income for pensions

	2024	Restated 2023
	£'000	£'000
Actuarial (losses) / gains from assets	2,312	(1,744)
Actuarial gains / (losses) from a change in financial assumptions	(367)	13,180
Actuarial gains / (losses) from a change in demographic assumptions	342	1,233
Actuarial (losses) / gains from experience	-	(2,040)
Actuarial gains / (losses) from irrecoverable surplus	(2,341)	(3,918)
Total of other comprehensive income	(54)	6,711

Movement in (deficit) during the year

	2024	Restated 2023
	£'000	£'000
Surplus/ (Deficit) in scheme at 1 August	(34)	(5,991)
Movement in the year:		
Employer service cost (net of employee contributions)	(1,164)	(1,721)
Employer contributions	1,379	1,189
Net interest on assets	199	(222)
Interest adjustment due to irrecoverable surplus	(201)	-
Past Service Cost / Curtailment	(157)	-
Actuarial gain / (loss) recognised in other comprehensive income	(54)	6,711
Surplus/(Deficit) in scheme at 31 July	(32)	(34)

Actuarial gain / (loss) recognised in other comprehensive income has been restated following engagement with the Further Education Sector's actuary.

Asset and liability reconciliation

	2024	Restated 2023
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	41,313	50,695
Service cost	1,164	1,721
Interest cost	2,126	1,820
Employee contributions	420	383
Actuarial (gain)/loss	25	(12,373)
Benefits paid	(1,011)	(933)
Past Service Cost	157	0
Liabilities at end of period	44,194	41,313

	2024	Restated 2023
	£'000	£'000
Reconciliation of assets		
Assets at start of period	45,197	44,704
Expected return on assets	2,325	1,598
Actuarial (loss) / gain	2,312	(1,744)
Employer contributions	1,379	1,189
Employee contributions	420	383
Benefits paid	(1,011)	(933)
Assets at end of period	50,622	45,197

	2024	Restated 2023
	£'000	£'000
Reconciliation of assets		
Net assets	6,428	3,884
Irrecoverable Surplus	(6,460)	(3,918)
Net assets / (liabilities)	(32)	(34)

The estimated value of employer contributions for the year ended 31 July 2025 is £1,215K.

Pensions and Similar Obligations – Special Events

The actuarial valuation of the College's participation in the Northern Ireland Local Government Officers' Pension Scheme (NILGOSC) as at 31 July 2024 has incorporated the estimated impact of a number of special events and legal rulings that affect the calculation of scheme liabilities. The figures are based on the actuarial valuation prepared by ISIO Services Limited in November 2024 under FRS 102, using membership data at 31 March 2022 rolled forward to the reporting date. The assumptions and methodology are consistent with those applied to all Northern Ireland Further Education Colleges participating in the NILGOSC Fund.

Special Event / Legal Case	Nature of Adjustment	Scheme Impact
Guaranteed Minimum Pension (GMP) Indexation	Allowance included in the 2022 funding valuation for all members reaching State Pension Age after 5 April 2021, ensuring full indexation in line with government announcements. No further adjustment required in the 2024 accounting valuation.	Already reflected within the DBO calculated at 31 July 2024.
McCloud/Sargeant Judgement	Allowance for the past service liability from the McCloud remedy period (1 April 2015 to 31 March 2022) included in the 2022 funding valuation. No further uplift required in 2024.	Already reflected within the DBO calculated at 31 July 2024.
Goodwin Case	Additional liability equivalent to 0.1% of the DBO recognised in FY22 as a past service cost; relates to unequal survivor benefits for male dependants of female members. No further adjustment in 2024.	Already reflected within the DBO calculated at 31 July 2024.

Basis of Calculation and Sector Consistency

The defined benefit obligation (DBO) has been calculated by rolling forward the results of the 2022 triennial funding valuation, allowing for actual scheme cashflows and updated financial/demographic assumptions as at 31 July 2024. No local adjustments have been made by the College. The methodology and assumptions are consistent across all NI FE colleges, and the calculations have been carried out by a qualified actuary in accordance with the Financial Reporting Council's Technical Actuarial Standards.

Surplus Recognition

In line with sector advice and consistent with the IAS 19 assessment previously provided, the surplus is fully restricted by the asset ceiling under FRS 102 as the College cannot realise an economic benefit through reduced future contributions or refunds. Accordingly, no pension asset is recognised on the Statement of Financial Position.

Materiality

The combined estimated impact of GMP indexation, McCloud and Goodwin on the DBO is immaterial in the context of the College's overall financial position but is disclosed for transparency in accordance with the requirements of the FReM, FRS 102 and the HE/FE SORP.

Estimation Uncertainty

The valuations provided by the actuary are based on a range of demographic and financial assumptions, including future salary increases, mortality rates, inflation, discount rates and pension increase assumptions. While the adjustments for GMP indexation, Goodwin and McCloud reflect the

best estimates available at the reporting date, there remains uncertainty over the final implementation of the McCloud remedy regulations, the potential for further legal developments relating to Goodwin, and the long-term application of GMP indexation policy. As a result, the actual cost to the scheme – and therefore the College’s share of the liability – could differ materially from the estimates currently reflected in the financial statements. The College will continue to monitor developments in these areas and will reflect any changes in future actuarial valuations as further information becomes available.

23. CAPITAL COMMITMENTS

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

	2024	Restated 2023
	£’000	£’000
Contracted capital commitments at 31 July not otherwise included in these financial statements	30,152	39,412
Assets Under Construction		
Total	30,152	39,412

24. FINANCIAL COMMITMENTS

There were no financial commitments at 31 July 2024.

25. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 July 2024.

26. 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 (all are governors other than those stated below name):

Governor / Senior Manager	Related Organisation	Position in related organisation	Amount paid / (income) 2023/24 £'000	Amount paid / (income) 2022/23 £'000	Nature	Amounts out-standing at 31 July 2024 £'000	Amounts out-standing at 31 July 2023 £'000
Christine Brown (Staff)	Causeway Chamber of Commerce	Member	1	2	Membership/ People Awards Fees	-	-
Donal MacAuley (Staff Gov)	CCEA	Professional Associate	6	8	Exam fees	-	-
Ken Nelson	LEDCOM	CEO/ Company Secretary	(1)		Tuition Fees	-	-
	Stranmillis University College	Member of Governing Body	19		Tuition Fees	-	-
Denise Mcllwaine	Chartered Institute of Personnel and Development	Member	-	6	Prof. fees	-	-
David Small	Belfast Health and Social Care Trust	Non-Executive Board Member	(24)	-	Tuition fees	(5)	(16)
Jayne Taggart	Causeway Chamber of Commerce	Director	1	2	Membership fees / President Lunch / Awards Ceremony	-	-

Mr Kevin Chambers	Dept for Infrastructure	Inspector for Public Inquiries	-	(2)	Tuition Fees	-	-
	St. Mary's PS, Saintfield, Board of Governors	Member	-	(7)	Tuition Fees	-	-
Cllr William Hutchinson	Belfast City Council	Member	-	1	Belfast Zoo Admissions	-	-
Bill McCluggage	NI Fraud Form	Chair	-	1	Conference Fees	-	-
	Triangle Housing Association	Director	-	-	Tuition Fees	-	-

27. AMOUNTS DISBURSED AS AGENT: SUPPORT FUNDS

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 & Expenditure.

	2024	2023
	£'000	£'000
Balance – Opening	57	39
DfE grants	61	83
	118	122
Disbursed to students	(46)	(65)
Balance unspent/(overspent) at 31 July	72	57

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 & Expenditure.

	2024	2023
	£'000	£'000
DfE care to learn grant	18	24

Disbursed to students' childcare providers	(18)	(24)
Balance at 31 July	0	0

28. LOSSES AND SPECIAL PAYMENTS

In accordance with the requirements of the Financial Reporting Manual (FReM) and Northern Ireland Assembly disclosure thresholds, individual losses or special payments exceeding £300,000 are required to be disclosed separately.

The College also operates an internal financial policy to disclose any individual loss or special payment exceeding £2,000 within the financial statements, in the interests of transparency and good governance.

No losses or special payments exceeded the Assembly's £300,000 disclosure threshold in the year.

There was one loss or special payment exceeding £2,000 for the year (College internal policy threshold). This amounted to £20k (2023: £4k) and related to an overpayment under the VSS which was also irregular, as it did not comply with scheme rules and required Department of Finance (DoF) and DfE approvals which was not obtained. This amount is disclosed separately in line with MPMNI.

Total claims abandoned for the year related to bad debt written off totalling £10k in relation to 33 cases. (2023: £5k, 23 Cases).

29. EVENTS AFTER THE END OF THE REPORTING PERIOD

In accordance with the requirements of FRS 102 Section 32 Events After the End of the Reporting Period, the College has reviewed events occurring between the Statement of Financial Position date and the date of approval of these financial statements to determine whether they are:

- Adjusting events – providing evidence of conditions that existed at the Statement of Financial Position date, which are reflected in the financial statements; or
- Non-adjusting events – indicative of conditions arising after that date, which are disclosed but not recognised in the financial statements.

This review considered information available up to the date of signing and took account of sector-wide developments, legal rulings, and government announcements affecting Further Education Colleges in Northern Ireland.

Senior Staff Pay Award – September 2023

The rates of salaries for Principals and Deputy Directors in NI Further Education Colleges from 1 September 2023 were published on 25 October 2024. As these relate to conditions existing at the reporting date, the financial impact has been accrued in staff costs for the year ended 31 July 2024.

Non-Teaching Pay Award – April 2024

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. Updated rates from 1 April 2024 were published on 22 October 2024. As these rates reflect conditions existing prior to 31 July 2024, they have been accrued within staff costs in the financial statements for the year ended 31 July 2024.

Holiday Pay – PSNI v Agnew

The provision of £591k relates to a holiday pay liability arising from the Court of Appeal judgement of 17 June 2019 in PSNI v Agnew, which determined that claims for holiday pay shortfalls can be taken back to 1998. The PSNI's appeal to the Supreme Court was dismissed on 5 October 2023, upholding the Court of Appeal's decision. As this decision confirmed a liability existing at the Statement of Financial Position date, the provision has been retained and the narrative disclosure in Note 19 updated to reflect the Supreme Court outcome.

Voluntary Severance Scheme (Reform to Save)

In September 2023, in response to budgetary pressures, the six Further Education Colleges in Northern Ireland announced a planned reduction in staffing as part of the Reform to Save initiative. The College participated in a sector-wide Voluntary Severance Scheme (VSS), releasing 41 staff in total. The majority exited on or before 31 July 2024, with the remainder leaving by 31 August 2024. Liabilities for staff who had formally accepted offers before the year-end have been recognised in provisions. The College has implemented monitoring arrangements to track ongoing savings achieved compared to the original business case, with quarterly reports to the Governing Body's Resources Committee. There are currently no plans for further sector-wide schemes.

Non-Adjusting Events

Accounts Statutory Compliance with Reporting Timeframes

While operational challenges delayed completion of the July 2024 annual accounts, these delays did not have a material effect on the financial statements. A lessons-learned exercise has been undertaken, with actions implemented to strengthen governance over the accounts production process, including:

- Revised year-end and interim accounts timetables;
- Clear allocation of responsibilities within the Finance Team;
- Monthly monitoring of statutory reporting milestones;
- Project management oversight from the Head of Finance; and
- Periodic progress reviews.

These measures are intended to ensure future compliance with statutory deadlines under the Further Education (NI) Order 1997 and the requirements of the Department for the Economy.

Sectoral Funding Pressures

Following the reporting date, the Department for the Economy issued updated budget allocations to the FE sector, confirming further real-terms reductions for 2024/25 compared to 2023/24. While these reductions will impact future operations, they do not relate to conditions existing at 31 July 2024 and therefore have not been recognised in the 2023/24 financial statements.

Other Non-Adjusting Events

No other material non-adjusting events have occurred between the Statement of Financial Position date and the date of approval of these financial statements which require disclosure.

30. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	Notes	2024	Restated 2023
		£'000	£'000
INCOME			
DfE income (non grant in aid items)	1	3,707	920
Education contracts	2	3,012	2,591
Tuition fees and charges	3	1,296	1,646
Other grant income	4	143	130
Other operating income	5	567	544
Endowment and Investment income	6	263	142
Total incoming resources		8,988	5,973
EXPENDITURE			
Staff costs	8	(27,088)	(26,358)
Other operating expenses	10	(8,708)	(8,476)
Depreciation/Amortisation	13/14	(4,416)	(4,412)
Interest and other finance costs	11	(2)	(222)
Total resources expended		(40,214)	(39,468)
Exceptional Item: Holiday Pay	8	(43)	(38)
Profit on Disposal	13	144	
Extraordinary payments	31	(3,024)	
Net Deficit for the year		(34,149)	(33,533)
Unrealised surplus/(deficit) on revaluation of land and buildings		7,410	2
Actuarial gain/(loss) in respect of pension scheme		(54)	6,711
Interest Adjustment due to irrecoverable pension surplus		(201)	-
Amount transferred to reserves		(26,994)	(26,820)
Reconciliation of amount transferred to reserves and grant in aid			
	Notes	2024	2023
		£'000	£'000
Amount transferred to reserves		26,994	26,820
Add back: total comprehensive income for the year		4,994	2,928
Grant in aid received in year		31,988	29,748

Analysis of reserves prepared under FReM	Notes	2024	2023
		£'000	£'000
Balance at 1 August		42,962	36,848
Grant in aid received in year	1	31,988	29,748
Adjustment - historical difference		-	3
Adjustment to other comprehensive income on Reserves (Fixed Assets revaluation)		-	3,183
Adjustment to backlog depreciation		(57)	-
Amount transferred to reserves		(26,793)	(26,820)
Balance at 31 July		48,100	42,962

31. DISCLOSURE NOTE: EXTRAORDINARY PAYMENTS

The following table denotes extraordinary payments within the College Financial Year:

	Notes	2024	2023
		£'000	£'000
EXTRAORDINARY PAYMENTS			
Voluntary Severance Scheme Expenditure		2,357	-
Employers Pension Accrual		450	-
Employees Pension Provision		115	-
Pension Provision for Actuarial Fees		100	-
FRS102 Pension Cost (Interest)		2	-
Total		3,024	-
Exclude interest		(2)	-
Total		3,022	-

32. DISCLOSURE NOTE: PRIOR PERIOD ADJUSTMENT

Pension Asset Restatement

At 31 July 2023, a net pension asset of £3,884k was recognised in respect of the NILGOSC pension scheme. The asset was calculated as the difference between the fair value of the assets held in the defined benefit scheme and the scheme's liabilities, measured on an actuarial basis using the projected unit method. At the reporting date, the College's actuary considered IFRIC 14 and recommended that the asset ceiling (i.e. the maximum surplus which should be recognised) should be set to equal the present value of the future service cost over a prescribed period, using the accounting assumptions at the measurement date. As such, the College recognised the full surplus at 31 July 2023.

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

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

ceiling should be set at this level).

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

The accounts have been restated to incorporate the impact of the latest actuarial advice. This change has resulted in a reduction of net assets at 31 July 2025 by £3,884k:

	Published Accounts 2023 £'000	Restatement of Pension £'000	Restated 2023 £'000
Reconciliation of assets	£'000	£'000	£'000
Actuarial (loss)/gain in respect of pension scheme	10,629	(3,918)	6,711
Pension Asset	3,884	(3,884)	-
Pension Provision	-	(34)	(34)
Pension Reserve	(3,884)	3,918	34

Property, Plant and Equipment (PPE) restatement

During the year, the College identified an error in the application of indexation to PPE in the 2022/23 financial statements. This resulted in a misstatement of asset values and the associated revaluation reserve. In accordance, with IAS 8 Accounting Policies, Changes in Estimates and Errors, this error has been corrected retrospectively. Comparative figures for 2022/23 have been restated to reflect the corrected valuations.

The impact of the adjustment is summarised below:

Increase in PPE: £3,184k

Decrease in Revaluation reserve: £3,184k

No other prior period adjustments have been identified requiring restatement.

32. DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 22 June 2026.

APPENDIX 1: AUDIT REPORT

Northern Regional College 2023-24

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

Introduction

1. In this report, I highlight important matters arising from my audit of the Northern Regional College's (the College's) 2023-24 financial statements, including why I have disclaimed my opinions on the financial statements. Completion of my work was significantly delayed due to a number of matters which I have outlined in this report.
2. In my Report to those charged with Governance following the audit of the 2022-23 financial statements, I noted that a considerable number of adjustments were required to correct misstatements in the draft financial statements submitted for audit. I highlighted issues with the quality of financial information and delays in addressing audit queries. These issues have persisted and the quality of the accounts and associated working papers presented for audit by the College for the year ended 31 July 2024 has deteriorated significantly.
3. Extensive challenges were encountered by my staff, which led to an unprecedented amount of audit work and substantial delay, with the audit being completed outside the normal reporting deadline, and at a cost well in excess of what is reasonable for an organisation of this size.

Purpose of the report

4. 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, I am required to "examine, certify and report" on the College's financial statements. This report explains the background to my opinion being disclaimed on the College's financial statements for the year ended 31 July 2024.
5. In addition to forming an opinion on whether the financial statements show a true and fair view, I am required to give an opinion on the regularity of transactions, by considering if the income and expenditure have been applied for the purposes intended by the NI Assembly and whether the transactions comply with the authorities which govern them.

Disclaimed audit opinions

6. Auditing standards require an auditor to withdraw from an audit where practicable and possible if they think the possible effects of undetected misstatements could be material and pervasive. Issues are considered pervasive if their effects on financial statements are not confined to specific elements, accounts or items, or if so confined represent, or could represent, a substantial proportion of the financial statements. Since I am appointed as auditor 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, I am unable to withdraw from the audit engagement, so in line with auditing standards, I have instead disclaimed my opinions on true and fair and regularity. It is highly

unusual for me to disclaim my opinions, and this underlines the significance and severity of the issues leading to it. The rationale for this judgement is set out below.

7. I am unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the College's financial statements for the year ended 31 July 2024 for the reasons outlined below:

- fundamental concerns about the robustness of the underlying financial control environment operating within the College during 2023-24 and significant deficiencies in the accounting records
- the lack of sufficient, appropriate audit evidence to support transactions and balances across various areas of the financial statements with a cumulative value in excess of £11 million.

The possible effects of undetected misstatements could be both material and pervasive.

8. My disclaimed audit opinion on whether the financial statements present a true and fair view has also led me to disclaim my regularity audit opinion. This is due to the lack of assurance over the accuracy and completeness of transactions included within the financial statements, upon which the regularity opinion would be based. In the context of the disclaimer of my true and fair opinion on the financial statements, I have concluded that the level of engagement risk is such that I do not believe that reasonable assurance over the regularity of transactions can be obtained.

9. My disclaimed audit opinions also reflect that adequate accounting records have not been kept and I have not received all of the information and explanations I required for my audit.

10. Paragraphs 11 to 37 of my report provide further information on the issues identified during the course of my audit and difficulties that my staff encountered.

Robustness of the underlying financial control environment and significant deficiencies in accounting records

11. I identified fundamental weaknesses in the College's financial control systems and procedures which had a direct impact on the quality of the financial statements submitted for audit. There were eleven versions of the financial statements produced in total, with seven versions submitted by the College to the audit team following corrections for a large number of misstatements.

Misstatements

12. There were 18 current-year accounting errors that were adjusted by the College over multiple versions of the financial statements, with an overall impact on the financial statements of £8.399million.

13. My staff also identified two accounting errors relating to the prior year. As these were material amounts, they were required to be corrected retrospectively by restating the 2022-23 comparatives in the 2023-24 financial statements. The first error arose due to actuarial miscalculation of the College's pension asset ceiling which was an issue for all further

education colleges. The second arose as a result of a misinterpretation by the College of advice from Land and Property Services on the application of indices for the valuation of land and buildings.

14. In addition, a wide range of amendments were required to the disclosures in the Statement of Changes in Reserves, the most significant of which was £8.379million.
15. The College's finance team did not properly account for the prior period errors, nor produce a properly reconciled Statement of Changes in Reserves, and this remained an issue through several updated versions of the financial statements. The correct amendments were ultimately processed by the College's finance team.
16. The fact that the College's finance team did not properly prepare this statement was particularly concerning given that it is a key financial control for ensuring the accuracy and integrity of the financial statements.
17. There are nine identified audit errors for which adjustments have not been made in the financial statements. Their overall impact is material and if adjusted, the deficit would decrease by £0.893 million and net assets reported at 31 July 2024 would increase by £1.023 million. The absolute value of accumulated unadjusted errors is £1.289 million for the Statement of Comprehensive Income & Expenditure and £3.907 million for the Statement of Financial Position. The College did not process corrections for these errors, as to do so would have required further work for the College, with no impact on the overall audit opinion.
18. The extent and level of misstatements identified during the audit is evidence of poor-quality financial reporting and weaknesses in the underlying financial control environment which contribute to the wider limitations that I encountered. Furthermore, the persistent failure by the College to make full and proper corrections in subsequent drafts of the financial statements raises concerns not only about the robustness of the accounts production process but also the quality and extent of review by senior College officers.

Deficiencies in accounting records

19. My staff found that the quality of working papers produced to support the financial statements was persistently poor and there was little evidence of quality review. In many areas, working papers were not readily available or did not sufficiently support the figures and disclosures presented in the draft financial statements. In some cases, it was not clear how the College calculated the figures and the responses to audit queries were inadequate. My staff had to invest significant additional time to attempt to obtain adequate evidence and proper explanations.
20. The College:
 - was unable to readily produce fully reconciled receivables and payables reports to support the amounts disclosed in the financial statements; and
 - had also not assessed the recoverability of amounts owed to the College.
21. I am particularly concerned that the College was unable to properly prepare bank reconciliations to enable the necessary amendments to be made to the bank account balance.

I noted that adjustments, totalling £52k to the bank balance as at 31 July 2024 were only determined in December 2025, some 17 months after the financial year end, and they are not reflected in the 2023-24 financial statements. The ineffective operation of this critical financial control increases the risk of fraud and increases the risk of uncertainty over the underlying financial transactions recorded in the financial system during the year.

22. I am also concerned that there was no documented evidence of review or approval of key financial decisions or accounting estimates in areas where significant judgement is required, such as provisions, accruals, pensions and the administration of the Voluntary Severance Scheme (VSS).
23. The volume and nature of the above weaknesses in fundamental areas, together with the lack of capacity and organisational memory within the senior finance team, mean that it is not possible for the College to provide assurance that all necessary adjustments to the 2023-24 financial statements have been identified and undetected material misstatements may therefore remain uncorrected due to evidence limitations and weaknesses in the financial control environment.
24. The College recognises that significant improvements in processes and controls are required and has commenced an exercise to cleanse the information in the financial system. However, this work is focussed on the 31 July 2025 balances. It is imperative that this exercise to ensure the accuracy and robustness of the information in the financial system is subject to appropriate controls and that a full and transparent audit trail is maintained, including evidence of the nature, rationale and impact of any adjustments.

Lack of audit evidence for areas with a cumulative value in excess of £11 million

25. The evidence from my audit highlighted that weaknesses in the financial control environment led to there being a significant number of areas in the financial statements where I was unable to obtain sufficient, appropriate audit evidence to provide the required level of assurance. The College was unable to provide sufficient, appropriate audit evidence for a number of areas with a cumulative value of £11.022 million and these were deemed to be both material and pervasive to the financial statements. There were no additional appropriate audit procedures that I could perform to gain the assurance that I need. The areas are discussed in further detail below.

Account area	
	£'000
Receivables - amounts due from the Department	£5,437
Property, plant and equipment	£5,172
Trade receivables	£388
Trade payables	£25
TOTAL	£11,022

26. Receivables - amounts due from the department

The College's 2023-24 financial statements include, within receivables, a large balance of £5.437million. The College claimed this was due from the Department for recurrent grant-in-aid not drawn down at 31 July 2024. I noted that there was no corresponding balance in prior years and no similar receivables balance was recorded by the other Further Education Colleges in Northern Ireland.

27. We sought information from the College to validate this receivables balance due from the Department. The College was unable to:

- Provide a breakdown of the expenditure items to be covered by the grant receivable from the Department;
- Provide sufficient evidence of the accuracy of the amount of the receivable. In particular, no explanation was provided as to why there was not an equivalent receivable at the end of the previous year; and
- Demonstrate that the amount of the receivable matched additional amounts drawn down in the following year.

The Department advised that it was unaware of the existence of this liability until my auditors brought it to the Department's attention and it was unable to confirm the validity of the College's estimate.

28. I am unable to obtain sufficient, appropriate audit evidence to conclude on the validity and accuracy of this grant-in-aid balance and the related income recognised in the financial statements.

29. Property, plant and equipment

At 31 July 2024 the College held and accounted for a significant number of fully depreciated assets. My staff identified 363 fully depreciated assets on the fixed asset register, with a total historic cost of over £12million. In 2022-23, I was advised that many of these assets were still in use. At that time, I recommended that the College perform a comprehensive review of its fixed asset register, to assess whether assets with a zero net book value were still in use and, if so, to re-evaluate their useful economic lives and recalculate the accumulated depreciation charge. At that time the College told me that it planned to complete a review by July 2025; however, this exercise has not yet been completed.

30. The College told me that many fully depreciated assets continue to be used partly as a result of budgetary pressures. For all assets, excluding land and buildings and assets under construction, the expected economic lives of assets per the College's depreciation policy appears to not align with the useful lives of these assets in practice and appear to be understated. The accounting impact is that accumulated depreciation is overstated and the net book value of assets shown in the Statement of Financial Position is understated.

31. Until the review exercise has been completed, I am unable to assess the financial impact on the net book value of assets currently carried at £5.172 million. However, given the number and historic cost of assets involved, I consider the possible misstatement to be material. I was

therefore unable to obtain sufficient, appropriate audit evidence to gain assurance over the valuation of assets in the financial statements.

32. Trade receivables

I do not have adequate assurance over £388k of the £740k trade receivables balance included in the financial statements at 31 July 2024. This was due to the fact that the College:

- advised that it could not be certain of the accuracy and completeness of the trade receivables balances in listings provided;
- was unable to provide satisfactory explanations for a number of credit balances included in the receivables list; and
- did not assess the recoverability of its recorded debts at year end.

33. Trade payables

The trade payables listing included £25k of debit balances. The College's finance staff were unable to satisfactorily explain or substantiate the transactions that make up these balances.

Issues with production of the financial statements

34. In my report on the 2022-23 financial statements, I highlighted the importance of ensuring that appropriate resources and quality control procedures are in place to allow the College to fulfil its accountability obligations and deal with audit requests in a timely and effective manner in the future. I concluded that the significant delay in the College fulfilling its accountability requirements was unacceptable.
35. Despite increasing the capacity of the finance team during the year, and assurances from the College that the production of the financial statements would be treated as a priority, the College produced a poor-quality set of draft financial statements and accompanying working papers for my 2023-24 audit. The draft financial statements failed my internal review processes and were not of the standard required to commence the audit. A second draft also did not meet the required standard, which further delayed commencement of audit work.
36. My ability to complete the audit of the College's 2023-24 statutory financial statements was impeded as the College did not submit financial statements that were suitable for audit until four months after they were due. My staff faced significant challenges including reviewing a further seven drafts of the financial statements. This combined with delays in obtaining audit evidence resulted in considerable delays to the audit timetable and a significant increase in audit costs.
37. I remain seriously concerned about the ability of the College to produce timely financial statements and supporting working papers of satisfactory quality to enable it to fulfil its accountability obligations. I had raised similar concerns in my 2022-23 Report to Those Charged with Governance and it is concerning that the situation has deteriorated since then.

Conclusion and future plans

38. As a result of the significance of the issues highlighted throughout this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion, and I consider that the potential misstatements could be both material and pervasive to a reader's understanding of the College's financial statements. Therefore, I have disclaimed my true and fair opinion on these financial statements.
39. As noted in paragraph 8 above, my disclaimed audit opinion on whether the financial statements present a true and fair view has also led me to disclaim my regularity audit opinion. This is due to the lack of assurance over the accuracy and completeness of transactions included within the financial statements, upon which the regularity opinion would be based. In the context of the disclaimer of my opinion on the financial statements, I have concluded that the level of engagement risk is such that I do not believe that reasonable assurance over the regularity of transactions can be obtained.
40. My disclaimed opinion reflects that adequate accounting records have not been kept and I have not received all the information and explanations I required for my audit.
41. I asked the College to outline what improvements it had planned. It told me:
- “The College acknowledge and accept the observations identified by the Northern Ireland Audit Office (NIAO). We are disappointed that these matters arose and recognise the importance of robust controls and compliance standards across the organisation.
- Appropriate corrective actions have been implemented to address the issues identified, and further measures are being progressed to strengthen our processes, enhance oversight, and mitigate the risk of recurrence. We are also working closely with colleagues within the Department for the Economy and with our Governors to implement a comprehensive programme of improvements to address the matters raised within the report.
- We remain committed to continuous improvement, effective governance, and the highest standards of accountability”
42. Given the rarity and seriousness of a disclaimed audit opinion and the impact this has on subsequent years of account, I encourage the College, its Governing Body, its Audit & Risk Committee and the Department to urgently address the issues raised during my audit.
43. The production of timely, audited financial statements for the NI Assembly is a fundamental part of ensuring transparency and accountability in how public money is being spent. It is vital that the College continues to put considerable effort into resolving these matters and improving processes in the coming year.
44. My Office will continue to monitor the progress made by the College on addressing these issues and will consider the impact of this disclaimer of opinion on my audit of the 2024-25 financial statements.

A handwritten signature in black ink that reads "Dorinnia Carville". The signature is written in a cursive style with a large initial 'D'.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
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22 June 2026