

Annual Report & Accounts

For the period ending 31 March 2026

Southern Regional College

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for the eight month period ended 31 March 2026

The Accounting Officer authorised these financial statements for issue on 3 November 2026

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 12 November 2026

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE EIGHT MONTH PERIOD ENDED MARCH 2026

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NATURE, OBJECTIVES AND STRATEGIES

The members of the Governing Body present their report and the audited financial statements for the eight month period ended 31 March 2026.

LEGAL STATUS

The current arrangements for Further Education in Northern Ireland were established by the Further Education (Northern Ireland) Order 1997, with Colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the Office for National Statistics, in 2010, reclassified Colleges as part of Central Government. This resulted in Colleges being determined as Non-Departmental Public Bodies (NDPB).

Colleges have been granted charitable status by the UK HMRC.

PURPOSE AND STRATEGIC CONTEXT

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

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

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

OUR VISION, MISSION AND VALUES

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

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

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



Figure 1

STRATEGIC AIMS

The Governing Body has overarching responsibility for setting the strategic direction of the College. The annual College Development Plan 2025-26 sets out the College's purpose, values and vision and embodies our commitment to working effectively together in providing skills solutions that meet current and emerging economic demand.

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

The College has developed six strategic aims to support our vision, mission and values, which are delivered through an annual action plan and set out the practical means through which we will create an entrepreneurial, creative environment where all our staff, students and clients are encouraged and supported to fulfil their potential.

1. To ensure the provision of a relevant and meaningful curriculum to promote a high quality learning experience;
2. To have Inspired People and Organisational Development;
3. To be a valued partner delivering outstanding support to local business/communities supporting the local regional economy;
4. To ensure the provision of a safe and stimulating environment;
5. To continue to provide effective Corporate Governance and ensure that the College operates within a robust system of internal control and financial management; and
6. To secure diversity in income and sustain development.

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

- Economic development through the provision of courses designed to meet the needs of the local and regional economy, particularly in priority sectors;
- Personal development through opportunities for further study and learning at all levels in preparation for working life and into retirement; and

- Social development, allowing people from different community backgrounds to participate in a wide range of courses at all levels.

The following section provides a summary of progress against each strategic aim and its underpinning objectives for the period 2025-26:

Aim	Key Objective	Status
To ensure the provision of a relevant and meaningful curriculum to promote a high quality learning experience	To provide a curriculum portfolio that meets the current and future needs of individuals and employers.	Achieved
	To widen the educational participation of those most marginalised in society.	Achieved
	To support our local schools in the delivery of the Entitlement Framework through the provision of professional and technical courses at Key Stage 4 and post-GCSE.	Achieved
	To embed an effective system of self-evaluation and quality improvement, leading to sustained improvement in teaching and learning and wider support services.	Achieved
	To address under performance, leading to increased retention and achievement rates.	Achieved
	To develop and embed new innovative, flexible and responsive delivery methods to meet the needs of individuals.	Achieved
	To effectively promote the College and increase brand recognition.	Achieved
To have Inspired People and Organisation Development	To maintain and promote an environment that will foster equality, respect for diversity and difference and employee wellbeing.	Achieved
	To promote staff well-being.	Achieved
	To commit to the continued professional development of staff to ensure their skills and qualifications support the delivery of a high-quality curriculum and support service.	Achieved
To be a valued partner delivering outstanding support to local business/communities supporting the local regional economy	To stimulate business innovation and productivity through a range of business support services.	Achieved
	To improve the skills and employability of the local and regional workforce.	Achieved
To ensure the provision of a safe and stimulating environment	To provide a modern fit-for-purpose estate.	Achieved
	To provide a stable ILT infrastructure and service that meets the needs of learners and delivers business critical systems.	Achieved
	To promote and maintain a positive health and safety culture at all levels throughout the organisation.	Achieved
To continue to provide effective Corporate Governance and ensure that the College operates within a robust system of internal control and financial management	To maintain and enhance financial management arrangements to ensure best use of financial resources.	Achieved
	To ensure that an effective system of risk management, governance and financial control operates at all levels within the College.	Achieved
	To ensure continued compliance with College policies, procedures and statutory requirements.	Achieved

To secure diversity in income and sustain development	To provide international exchange opportunities for College staff and students.	**Achieved**
	To develop and support a sustainable workforce.	**Achieved**
	To embed the UN Sustainable Development Goals in all aspects of College life and to provide students with the knowledge, skills and attitudes to promote sustainable development.	**Achieved**
	To embed sustainable practice in all aspects of College operations.	**Achieved**

CORPORATE AND BUSINESS PLANNING

Northern Ireland Further Education (FE) colleges are required, under Article 20 of the Further Education (Northern Ireland) Order 1997, to produce and publish College Development plans (College Development Plans).

COLLEGE DEVELOPMENT PLAN (CDP)

The 2025-26 CDP sets out the activity planned for the College, as endorsed by the College's Governing Body. The activities in the plan demonstrate the College's contribution to fulfilling the aspirations within our Vision, our Mission, and our Strategic Priorities, all within the overall strategic context.

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

- Report Card 1: Raise Productivity
- Report Card 2: Good Jobs/Promote Regional Balance/Raise Productivity
- Report Card 3: Reduce Carbon Emissions

PERFORMANCE INDICATORS AND REVIEW OF PERFORMANCE 2025-26

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

REPORT CARD	AIMS	STATUS	COMMENT
Raise Productivity	1. To increase regional business productivity/growth through the delivery of tailored/bespoke training programmes.		Achieved in line with targets set out in the Raise Productivity report card.
Good Jobs/Promote Regional Balance/Raise Productivity	2. To upskill/reskill individuals with the knowledge and skills necessary to secure employment, meet employer needs for today and the future and support economic growth in the region.		The College is on track to achieve the target of 11,948 individuals enrolled at the College (including Essential Skills of 330).
Reduce Carbon Emissions	3. To address the skills needs of the future workforce in green industries through upskilling and reskilling individuals in support of a net zero economy in Northern Ireland. 4. To deliver against the Public Body reporting duties of the Climate Change legislation, delivering an energy efficient and sustainable estate.		The College is on track to achieve implementation of the key actions identified for 2025-26.

Table 1

CURRICULUM DEVELOPMENT

The College continues to be a key driver in supporting the supply of skills solutions both locally and regionally, whether through the College's apprenticeship provision or through its highly effective Business and Economic Engagement unit.

As the demand and supply of skills solutions has never been more critical for the future economic growth of Northern Ireland, the College's curriculum offer continues to be targeted on the current and future skill needs of the local and regional economy.

The College provides professional and technical skills training in more than 25 areas to over 1,400 trainees and apprentices, delivered in skills training centres in Armagh, Newry and Portadown.

The College ensures alignment of its curriculum provision with the educational policies and priorities set by the Executive and the Department for the Economy, including The Skills Strategy, Programme for Government and the four priorities of the Economy Minister's Vision:

- Good Jobs;
- Regional Balance;
- Increased Productivity; and
- Decarbonisation.

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

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

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

QUALITY - EDUCATION AND TRAINING INSPECTORATE

In the academic year 2025–26, Southern Regional College engaged with the Education and Training Inspectorate (ETI) through two evaluations of Special Educational Needs provision and mainstream support for students with additional learning needs. ETI feedback recognised strong strategic leadership, effective early identification of need and high quality teaching and support, supported by committed staff, strong partnerships and positive student and parent experiences.

The College continues to engage with the Quality Improvement Branch of Department for the Economy in the development of new arrangements for the Whole College Quality Improvement Plan and in doing so, ensure that it is planning effectively for learning and quality improvement.

HOW WELL DID WE DO?[1]

REPORT CARD 1 – RAISE PRODUCTIVITY

ACTIVITY	TARGET	ACTUAL	STATUS
Innovation Based Projects	126	139	
Tailored Training	358	468	
Upskill (via Skill Up)	240	233	

Table 2

In 2025-26 the College delivered a range of initiatives including Innovate Us, Innovation Vouchers, Innovation Boost, Knowledge Transfer Projects, Skills Focus, Productivity Booster, Skill Up, Labour Market Partnership projects and themed workshops to 605 local companies totalling over £2m. The College engaged with a further 175 employers to support HLAs, which has seen consistent growth.

REPORT CARD 2 – GOOD JOBS/PROMOTE REGIONAL BALANCE/RAISE PRODUCTIVITY

ACTIVITY - INDIVIDUALS	TARGET	ACTUAL	STATUS
Further Education (FT & PT) (Excluding ES)	7,681	7,654	
Higher Education (FT & PT) (Including HLA)	1,795	1,730	
Work Based Learning/Traineeships/APPsNI (FT & PT)	2,051	2,071	
Essential Skills	421	364	
Total Individuals	11,948	11,819	
Total Enrolments	20,698	21,755	

Table 3

REPORT CARD 3 – REDUCE CARBON EMISSIONS

ACTIVITY	TARGET	ACTUAL	STATUS
Staff Training	53	155	
Deliver Training in Green Skills and Sustainability	238	291	
Deliver Effective, Efficient and Sustainable Estate	Improve Energy Efficiency		

Table 4

WHO IS BETTER OFF?

The College measures whether anyone is better off as a result of delivering our aims.

[1] CDP Progress Education Report Card extract as at 16 October 2026

ENROLMENT PROFILE

The College plays a significant role in addressing the education needs of those living in areas of greatest deprivation. This is illustrated by the fact that 49.0% of the College's total enrolment is from students within population quintiles 1 & 2[2], Figure 2.

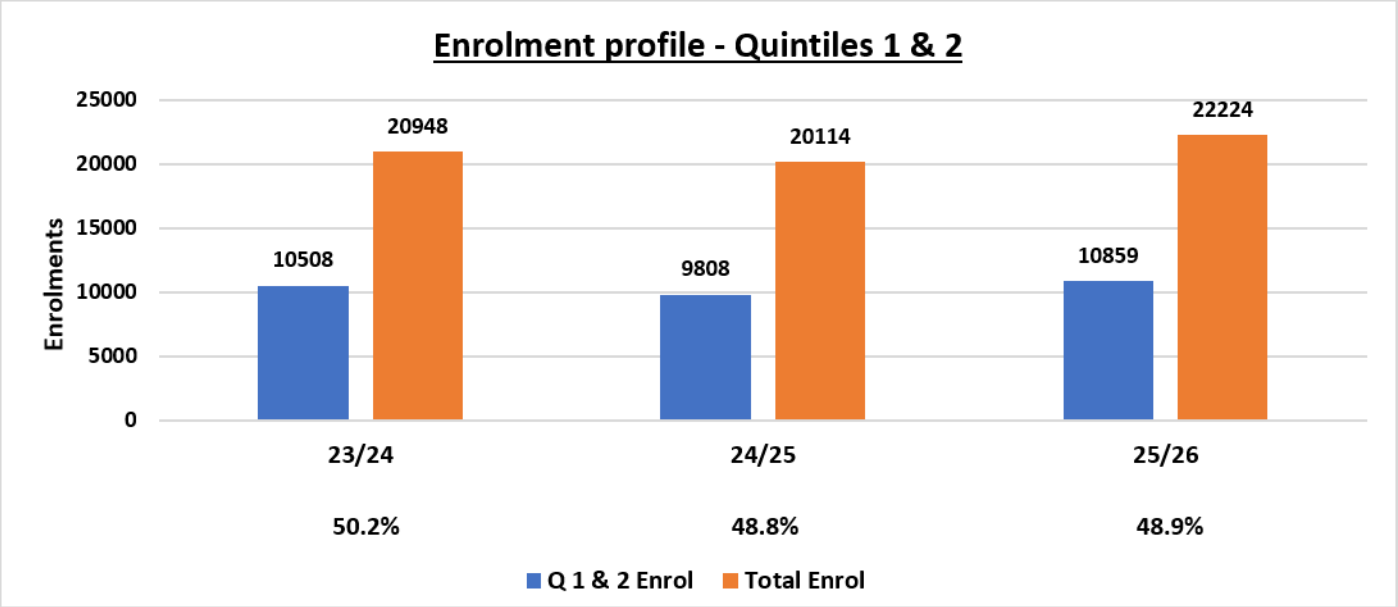

Figure 2

COMMUNITY ENGAGEMENT

The College region includes five Neighbourhood Renewal Areas (NRA) at Armagh, Brownlow, Lurgan, Newry and Portadown, and 16 of the top 100 most deprived areas in Northern Ireland. To address regional needs, the College's Community provision was aimed at supporting individuals and communities to overcome inequality and disadvantage through education and training. The community team has worked closely with community groups, community and voluntary sector organisations, Jobs & Benefits offices and other statutory organisations to remove barriers to support and create pathways to upskilling and employment. The College has continued to lead the delivery of Community Education in support of the regional NR Strategy.

In addition, the College successfully delivered five projects to residents from NRAs who are economically inactive and face social exclusion, enrolling 291 people, with 245 achieving qualifications, 60 gaining employment to date and 41 moving into further training. Funded by The Department for the Communities (DfC), participants complete a range of training programmes including Offshore Wind qualifications, Forklift driving, Health & Safety training and Childcare. Whilst no confirmed offering for provision is available, this will remain a focus for the College as part of the wider community planning process to offer a wide range of provision to enable everyone to access skills to improve their lives through education.

The College continued to support those furthest from the labour market through the award winning Employ Me programme and the Step Up programme. Employ Me is delivered in partnership with Clanrye Group, Women's Aid Armagh Down and Community Advice Newry, Mourne and Down and

[2] Quintile is a measure of the deprivation level of the geographical area where the student lives based on the postcode that they have provided. Quintiles 1 and 2 are the most deprived locations.

over the last three years, the programme has exceeded targets by supporting over 2,400 individuals, with over 1,500 gaining accredited qualifications and 1,239 people into employment.

The Step Up programme supported 106 individuals to achieve accredited qualifications, particularly 16-24 year olds, those with additional support needs and women returners. These programmes are participant led and include one to one support which has proven to be effective in translating qualifications into jobs.

SCHOOLS' PARTNERSHIP PROGRAMMES (SPP)

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

The Entitlement Framework aims to guarantee all school pupils greater choice and flexibility by providing them with access to a wide range of learning opportunities suited to their needs, aptitudes and interests, irrespective of where they live or the school they attend. In 2025-26, the College maintained excellent levels of engagement with 21 schools across the four area learning communities within the region, achieving enrolments of 2,930 students.

STUDENT OUTCOMES

Students are on track to achieve qualifications for academic year 2025-26.

WIDENING PARTICIPATION

As part of the Department for the Economy's, Higher Education, Widening Access Participation Plan (WAPP) in 2025-26, the College awarded bursaries to 52 Higher Education students amounting to £14,030 in support, indicating a 6% increase in bursary uptake from 2024-25.

JAMES KANE FOUNDATION

The James Kane Foundation Board continued its support for students at Southern Regional College from the Armagh, Banbridge and Craigavon area as part of a four-year funding commitment covering the academic years 2023 to 2027. This generous contribution is aimed at helping Higher Education students remain in education by providing essential financial assistance.

During the 2025–26 academic year, seven students were awarded scholarships. Each student received £1,543 to help cover tuition fees and other course-related costs, including equipment, learning materials and travel expenses.

This support has been invaluable in reducing financial pressures on students, enabling them to focus fully on their studies and make the most of their educational opportunities.

STUDENT PROGRESSION

During the first term of the 2025-26 academic year, the Careers Team tracked the destination of full-time and part-time Level 2 and 3 Further Education learners and Higher Education learners who left the College in June 2025. Findings indicated a range of leaver destinations, including progression into employment or additional learning as detailed in Table 5 below:

Tracked Destination	Number	%
Total Number of College Students Tracked	2,841	100.0%
Total Number of College Students Responses	2,779	97.8%
Progressed to HE Externally	398	14.3%
Progressed to HE Internally	215	7.7%
Progressed to FE Internally	435	15.7%
Progressed to FE Externally	8	0.3%

Progressed to other College Courses	170	6.1%
Entered Employment	1,365	49.1%
Seeking Employment	72	2.6%
Gap Year	60	2.2%
Repeating Year	48	1.7%
Other Training	7	0.3%
Retired	1	0.04%

Table 5

COMPANIES ENGAGED

During 2025-26 the College delivered a range of innovation initiatives including Innovate Us, Productivity Booster, Innovation Vouchers, Business Explorer, Innovation Boost, Knowledge Transfer Projects, Skills Focus, Skill Up, Assured Skills Academies, Labour Market Partnership projects and themed workshops to 605 local companies. We engaged with 175 companies for Higher Level Apprenticeships across 20 pathways and a further 20 cross order companies located in Clare, Cork, Dublin, Galway, Kildare, Leitrim, Limerick, Mayo, Monaghan, Offaly, and Tipperary seeking to develop new products and processes. The team provided support through research, development & mentoring activities.

Projects span across 18 months, and the main technical areas of support were:

- Food Product Development;
- Process Improvement & Lean Manufacturing techniques;
- Food Process Development;
- NPD Department Set Up;
- Electronic Engineering;
- Product Design & Prototyping; and
- Digital Systems Development.

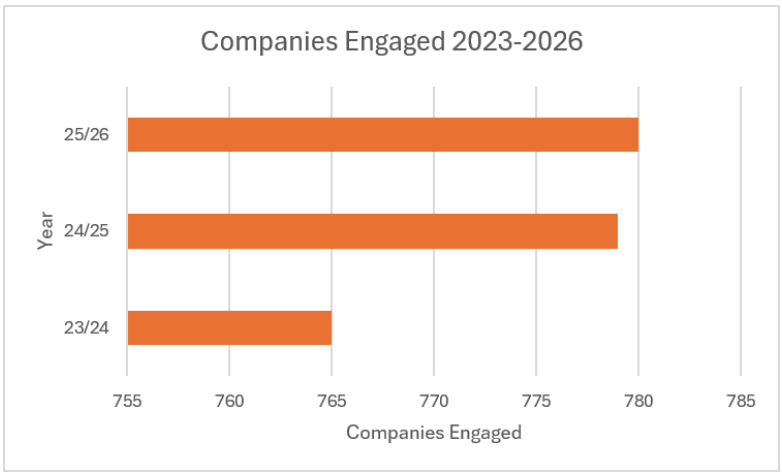

Figure 3

During 2025–26, the Higher Level Apprenticeship (HLA) team strengthened employer engagement and recruitment activity, resulting in a 33.5% increase in the number of employers recruiting apprentices compared with the previous year. The College's dedicated HLA Employer Portal continues to provide a distinctive and effective platform for employer engagement, recruitment,

and apprentice selection. Throughout the year, the portal underwent a programme of continuous enhancement, including the introduction of a shortlisting function, automated communications, and streamlined progression pathways to support apprentices advancing from Level 5 to Level 6 HLAs. These developments have further improved the employer experience and reinforced the College's commitment to delivering an efficient, employer-focused apprenticeship service.

The College partnered with the two regional Labour Market Partnerships to deliver two highly successful Skills and Employability Conferences. These events provided a platform to examine key labour market challenges while showcasing employer-led success stories and best practice in attracting, retaining, and developing talent to meet future workforce needs.

In addition, the College is a strategic partner within two of the eleven newly established Local Economic Partnerships across the region. Through this role, the College is actively contributing to the development and implementation of action plans aimed at supporting economic growth, enhancing skills provision, and fostering innovation to address regional priorities and opportunities.

OTHER DEVELOPMENTS

The College successfully delivered five projects as part of Department for the Economy Skills Fund Inclusive Futures Programme which aimed to re-engage economically inactive individuals, targeting those who are disabled or neurodiverse and have barriers to entering employment or learning, and female returners, through accredited qualifications, enhancing new skills, work placements and progression pathways.

A total of 300 individuals are currently engaged across a range of impactful cross-border programmes including PEACEPLUS, SECBA, GRASP, and DS3. PEACE PLUS, supported by the European Union alongside the UK and Irish governments and the Northern Ireland administration, provides a strong foundation for collaborative regional development.

Through this, initiatives like SECBA (South-East HE/FE/Industry Cross-Border Alliance) are helping to align education and training with industry needs, offering targeted opportunities in high-growth sectors such as business, sport, software, and biopharma.

Complementing this, the GRASP (Green Accelerator Skills Programme) is enabling education partners within the Irish Central Border Area Network to work closely with the construction sector to deliver green skills qualifications that meet emerging sustainability and regulatory demands.

Meanwhile, the DS3 programme (Digital Services, Digital Supports and Digital Spaces) is strengthening digital capacity across communities by promoting inclusion, enhancing connectivity, and supporting individuals and businesses to confidently access and use ICT tools. Together, these programmes have supported 300 individuals in gaining vital skills, enhancing employability, and contributing to resilient, sustainable, and digitally empowered communities across the region.

COLLEGE ACHIEVEMENTS

College Achievements for 2025-26 are listed below:

- The M1 Corridor, stretching from Drogheda to Newry, is rapidly emerging as one of the island's most important economic arteries connecting people, skills, and innovation along the Dublin–Belfast Economic Corridor (DBEC). At the centre of this collaboration is our partnership with the Advanced Manufacturing Training Centre of Excellence (AMTCE) in Dundalk and Newry Chamber of Commerce and Trade to unlock the corridor's full potential. Together, these organisations are helping to align education, training and industry needs to strengthen the region's skills base and attract new investment;
- The College signed a landmark Memorandum of Understanding with the Pittsburgh-based economic development group Catalyst Connections to launch international apprenticeships and welcome new scholarship initiatives;
- The College partnered with the SECBA project, officially launched at Dundalk Institute of Technology (DkIT) in October. Supported by PEACEPLUS and managed by the Special EU Programmes Body (SEUPB), this landmark initiative brings together higher education, further education, and industry to address critical skills shortages across the south-east region of Northern Ireland and the border counties of Ireland;
- Staff and students from the College delivered an incredible 1,108 items to support local families in need at the Christmas period. Through a month-long appeal, students and staff joined forces to collect 310 toys and 798 essential food and toiletry items, making a tangible difference at a critical time of year. Adding to the festive spirit of charitable giving, staff at the College fundraised £1,734 through a Christmas raffle for Alzheimer's Society NI, the College's charity partner. Elsewhere across multiple campuses students took the lead in several fundraising activities;
- The DS3 Project was launched in the Cavan Digital Hub and was supported by PEACEPLUS, a programme managed by the SEUPB. The Project received funding of €3.27 million under the Smart Towns and Villages Investment Area for a strategic investment in digital services, digital supports, and digital spaces to modernise, grow, and future-proof challenged towns and villages in the area known as the Central Border Region. Led by ICBAN (Irish Central Border Area Network), with partners Cavan, Leitrim, Mid Ulster and Sligo Councils, Southern Regional College and Ulster University, and four associate partners: Armagh City Banbridge & Craigavon, Donegal and Monaghan Councils, and the Western Development Commission, the project is an exciting opportunity for businesses and communities in the Central Border Region to enhance their digital skills. The project aims to enhance regional regeneration, through increasing the competitiveness of participating businesses, and the confidence of those in our communities to use the latest technologies;
- The College strengthened its position as a people centred, high performing organisation, being awarded the 'We Invest in Wellbeing' Standard Award for the first time and successfully retaining the 'We Invest in People' Silver Award from Investors in People;
- The College achieved a prestigious Silver award in the 2025 Northern Ireland Environmental Benchmarking Survey, led by Business in the Community Northern Ireland. This follows the College's Bronze award in November 2024 and reflects a year on year improvement in environmental management, performance and the embedding of sustainability in strategy and operations;

- In January, the College open days attracted 4,000 visitors all keen to explore the wide range of education and training opportunities available across the College;
- The College's Estates team won the Workplace and Estates Team of the Year at the 2026 Facilities Management Awards. The team received their award in March at the Radisson Blu, Royal Convention Centre, Dublin, ahead of a strong field of finalists;
- The Newry, Mourne and Down Chairperson's Civic Awards were held in February at the Millbrook Lodge Hotel, Ballynahinch. It was a proud occasion for the College, with both staff and a student being recognised for their outstanding contributions and achievements. Recognised for their commitment to the Newry Mourne Down Region was a College lecturer and the wider ICAS team within the Arts, Culture & Heritage Award. ICAS, the Interdisciplinary Conference in Arts and Science, takes place each January at the Newry campus. The conference sparks conversations in art, literature and heritage attracting artists, writers and researchers from across the globe. Also commended for fundraising efforts were staff from the College's Organisational Development Team and from the College's Student Engagement Team who lead on the College's social responsibility efforts, which include fundraising for charity as well as organising foodbanks and toy appeals;
- The Higher Level Apprenticeship (HLA) team at the College were announced as finalists in the Business Excellence Awards. The team were shortlisted for the award within the category 'Excellence in Skills & Workforce Capability';
- The College, together with officials from Department for the Economy, Felix O'Hare and Co. Limited and McAdam Design marked the official start of construction of the new £14.5 million Newry Innovation Centre in April 2026 after the phase of pre-construction pre year end. The two-storey, 2,223m² building will be located on the former car park of the Newry East Campus on Patrick Street, previously known as the site of Newry Sports Centre. The development is set to deliver a modern, vibrant education facility designed to support teaching and learning across the wider community for years to come;
- The Careers Service and Campus Services Teams have once again successfully achieved the Matrix Quality Standard; the international benchmark for organisations that offer information, advice and guidance (IAG) as part of their core services or activities. This standard will now be held in place by the College for a further three years; and
- A College lecturer has been shortlisted for OCN NI's Learning Endeavour Awards 2026 in the 'Inspiring Tutor of the Year' category. The winners of the Awards will be announced later in the year.

OTHER COLLEGE ACHIEVEMENTS

- Staff and students at the College took part in a monumental occasion, as the 'Baton of Hope', a community driven initiative dedicated to raising awareness about mental health and suicide prevention, stopped by the College's Newry campus, as part of the Northern Ireland leg of the 2025 UK tour;
- Students from the Creative Arts and Digital Technologies Traineeship shadowed renowned artist Fintan Magee as he put the finishing touches to Armagh's newest street mural, located off Scotch Street. The project was based on the 1952 photograph from the Ernest Scott Collection at Armagh Country Museum1952 entitled 'The Dawn Trio';
- The College's Music Department were delighted to welcome representatives Global Motion for an exclusive industry presentation to Creative Music and Audio Production Level 5 Foundation Degree students. Global Motion, renowned worldwide for their expertise in transporting large-scale professional music tours, offered students an extraordinary behind-the-scenes look at the logistics that keep global touring running smoothly. Their current roster includes some of the biggest names in contemporary music, including Ed Sheeran, Coldplay, and Kendrick Lamar;
- Performing Arts Level 3 Extended Diploma and Creative Music & Audio Production Foundation Degree students returned to the stage in October, with a strong message for young audiences with the special Theatre in Education performance 'Speak Up'. Touring primary schools around the Armagh, Banbridge and Craigavon Borough Council Area, and including a special performance at the Armagh City Hotel, students at the College encouraged their primary school counterparts to stand up and speak up against hate crime, not only for themselves but for friends, parents and others who may not have the confidence or ability to do so;
- Panto season arrived with students at the College undertaking the pantomime Jack and the Beanstalk. The 2025 production saw first-year Performing Arts Level 3 Extended Diploma students take to the stage with a playful, western-themed twist on the timeless tale, supported by their fellow students from Hair, Beauty & Music;
- Two Media Level 3 Extended Diploma students successfully completed the 2025-26 British Film Institute (BFI) Film Academy Short Course, delivered by AmmA Creative Learning Centre. Running from September to December 2025, the programme concluded with an awards night in mid-January where participants' short films were screened;
- Dressmaking students used their newfound dressmaking talents to stitch together pieces for the uniquely named 'Second Stitch' fashion show. This event was the culmination of months of work at the College's Armagh campus, with models taking to the catwalk to display garments in April;
- Media and Film & TV students at Banbridge campus welcomed a full audience to their joint end-of-year showcase in April. Visitors experienced a diverse display of student work, including print projects, short films and documentaries developed throughout the academic year;
- The College hosted its fourth annual Childcare Conference in May, bringing together 200 early years professionals, educators and sector organisations to explore this year's theme, "All Together Now." The conference focused on promoting inclusive practice across early years settings, particularly those supporting children aged 0–5 years. Designed to inspire collaboration, innovation and shared learning, the event welcomed a wide range of speakers and organisations from across Northern Ireland's childcare and education sectors; and
- The College hosted Super Trowel, the ultimate bricklaying competition on Greenbank Campus on 27 February 2026. This was the Northern Ireland / Ireland regional heat, and the competition

saw eight pro competitors and seven junior competitors battle it out for a place in the UK national final. The heat was the first of the 2026 regional heats to take place, and the top two pros have been invited to compete at the national finals on 31 July 2026 and 1 August 2026 at Hertfordshire, England. This is an excellent showcasing opportunity for the College and the construction sector.

STUDENT ACHIEVEMENTS INCLUDING SKILLS COMPETITIONS

- The College places significant importance on the role of skills competitions in enhancing student learning and achievement. Competitions are used as a platform to:

    - Bring learning to life by embedding simulated workplace practices;
    - Enhance vocational skills and raise the profile of technical education;
    - Encourage creativity and innovation in teaching, training, and learning;
    - Build confidence, resilience, and self-esteem;
    - Provide meaningful and enjoyable learning experiences;
    - Through participation in competitions, students not only refine their technical expertise but also develop essential professional and personal skills. Progression typically begins with local inter-campus contests before advancing to regional, national, and international stages.

In 2025–26 students achieved outstanding success across a broad range of competitions, most notably:

- WorldSkills UK National Finals (Manchester, November 2025) students had a team of eight students qualify for the UK Finals and secured six medals, including two gold in Mechatronics and one in Vehicle Paint, placing the College 2nd overall in the UK Medal Table;
- EuroSkills 2025 competition was held in Herning from 9–13 September 2025, five competitors represented the college, achieving an excellent outcome with two Bronze medals from Industry 4.0 team (The UK's only medals). The team was further represented by students in the Mechatronics competition and in Electrical Installation competition;
- WorldSkills Shanghai 2026 UK Squad: An unprecedented five students were selected to represent the UK Team in the next WorldSkills global competition, the most competitors from any College or Training Organisation in the UK. Vocational areas represented will be Laboratory Technician, Industry 4.0 and Automotive Refinishing and Electrical Installation;
- An Electrotechnical apprentice was honoured at the Further Education Excellence Awards in June 2026 for Excellence in Apprenticeship Training. The apprentice is currently preparing to represent Northern Ireland and the UK at WorldSkills Shanghai 2026 event;
- CITB NI SkillBuild Regional Final (2026) was hosted in the Greenbank Campus. Students won six medals, one gold, three silver and two bronze across five disciplines, demonstrating strength across the construction trades;
- SkillBuild UK National Finals (Milton Keynes, November 2025): the College was represented by a Wall and Floor Tiling student;
- Six students competed at the IFEX biennial competition, Northern Ireland's leading trade event for the food, drink, hospitality, and retail industries securing two bronze medals and four certificates of merit;

- Applied Science Level 3 Extended Diploma teammates achieved a second-place finish at the Northern Ireland Inter-College competition testing laboratory skills endorsed by World Skills UK (April 2026);
- Six students were selected to compete at the Northern Ireland Hairdressing Regional Qualifiers with one student finishing in second place in this regional qualifier (May 2026);
- Automotive Refinishing (Paint and Body Panel) National Regional Qualifiers (Eyebox Training and Conference Centre in Coventry, May 2026) with two students selected to compete;
- A student secured the prestigious JP McManus All Ireland Scholarship which provides significant financial assistance them for the duration of her undergraduate degree programme. The student studied the Health & Social Care Level 3 Extended Diploma at the College and progressed to study Mental Health Nursing at Queens University Belfast;
- Butchery Apprentice named 'Best Abattoir Worker/Apprentice' at the Institute of Meat and Worshipful Company of Butchers;
- Higher Education (HE) GAA team secure HE All Ireland GAA Final Title (February 2026);
- An Electrical Installation apprentice won the 'Youth Impact Award' at the Newry, Mourne and Down Chairperson's Civic Awards (February 2026);
- The College's annual Interdisciplinary Conference in Arts and Science (ICAS) event, recognised as finalists the Arts, Culture and Heritage Award at the Newry, Mourne and Down Chairperson's Civic Awards (February 2026);
- The College's Higher Education (HE) Football Team won the College University Football Association of Ireland (CUFAI) Plate final (March 2026);
- Six students achieved outstanding success at the STEM Racing Car UK Finals, securing the Northern Ireland Champions National Cup and the opportunity to compete on the global stage this October 2026 at the Aramco STEM World Finals in Singapore (March 2026);
- Hospitality and Professional Cookery students secured their second consecutive win at the 2026 Rotary Ireland Generation Chef finals (April 2026);
- The Professional Chef Level 2 Traineeship students won the Up to Level 2 Winner in the sector wide Project Based Learning competition (April 2026);
- The Higher Level Apprenticeship team were announced as finalists in the 'Excellence in Skills & Workforce Capability' category in the Irish times Business Excellence Awards (May 2026);
- Business HLA student named 'Apprentice of the Year' at the 'Made in Northern Ireland' 2026 awards, held at the Titanic, Belfast (May 2026); and
- A Student and a lecturer have been shortlisted for OCN NI's Learning Endeavour Awards 2026. Emilis is shortlisted within the category 'Further Education Learner of the Year' with catering lecturer recognised in the 'Inspiring Tutor of the Year' category (May 2026). The results of the Awards will be revealed late June 2026;

STAFF ACHIEVEMENTS 2025-26

- In June 2026, two lecturers from the Faculty of Computing, Design and Academic Studies are presenting at the Horizons in STEM Higher Education Conference in London, their theme focuses on 'Investigating Student Perceptions and Engagement Through Peer Teaching in Web Development Education'. The conference serves as a key gathering for HE practitioners to share insights into teaching innovation, pedagogy and to develop connections across STEM disciplines;
- A lecturer in the Faculty of Professional Services has been shortlisted for OCN NI's Learning Endeavour Awards 2026;
- In June 2026 a Lecturer from the Faculty of Health and Science, and its wider ICAS team, were recognised for their commitment to the Newry Mourne Down Region within the Arts, Culture & Heritage Award section at the March 2026 Civic Awards Ceremony. ICAS, the Interdisciplinary Conference in Arts and Science, takes place each January at the College's Newry campus. The conference sparks conversations in art, literature and heritage attracting artists, writers and researchers from across the globe;
- In June 2026, at the Northern Ireland Further Education Excellence Awards ceremony, a Lecturer from the Faculty of Professional Services was recognised for her 40 years' service and her exceptional lifetime contribution to Further Education.

ESTATE STRATEGY DEVELOPMENTS

During 2025-26, the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide strategic governance and oversight with considerable progress being made in the delivery of the projects.

Following approval for the Newry Innovation Centre, a contractor was appointed in September 2025.

SUSTAINABILITY REPORT

Introduction

This Sustainability Report has been prepared in accordance with NI's Sustainability Reporting Guidance 2025-26, which is aligned with HM Treasury sustainability reporting guidance and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Reporting period for data contained in this report is 1 August 2025 to 31 March 2026.

Data sources include supplier invoices and the Colleges internal reporting mechanisms. Data has been validated and certified by a College appointed third party.

In order to report the greenhouse gas emissions associated with activities, 'activity' data such as distance travelled, or tonnes of waste disposed has been converted into carbon emissions. The greenhouse gas conversion factors used in this report were published by the UK Government and can be found via the following link: Government conversion factors for company reporting of greenhouse gas emissions - GOV.UK.

The information contained within this report is not subject to audit.

Governance

The College has a structured governance framework in place to manage and lead climate change mitigation and adaptation measures in alignment with the Climate Change Act.

The Governing Body and Principal & Chief Executive provide overall leadership and direction on climate action and ensure it is embedded within the College's overarching corporate governance responsibilities including the College Development Plan (CDP) and Business Continuity Plan.

The CDP, which is approved by Governing Body, sets out the three-year strategic plan including the delivery of Estates and Sustainability initiatives. CDP action plans are created in tandem with the plan and assigned to relevant departments. Progress is reported quarterly with updates provided to Senior Management.

The College's annual sustainability report is presented to Governing Body each November and updates on progress regarding mitigation and adaptation reporting are provided to the Audit and Risk Committee quarterly.

The Estates minor works and maintenance plan is presented to the Finance and General Purposes Committee annually which sets out the planned works capital expenditure schedule for the upcoming year and the following two financial years. This plan includes carbon reduction initiatives and energy saving projects such as LED lighting upgrades and boiler and heating upgrades.

Strategic oversight is provided by the Executive Management Team with direct responsibility resting with the Director of Client Services, who holds responsibility for sustainability across the College. This includes the development of Climate Adaptation and Mitigation Planning, and Annual Sustainability Action Plans with specific key performance indicators (KPIs) to support the College's climate objectives and compliance with the Climate Change Act (Northern Ireland) 2022.

Climate change mitigation and adaptation is actively monitored, reported, and managed through clearly defined responsibilities at the senior management level.

Within this directorate, the Estates Department carries primary operational responsibilities under the Act. The department leads on all public sector reporting obligations, overseeing the collection, validation, and analysis of carbon data and managing the development and implementation of the

College's carbon reduction plan. This also includes the coordination and creation of whole College climate risk assessments and adaptation action plans.

Sustainability action plan progress is reviewed quarterly through the Sustainability Working Group. Formed in 2022 and chaired by the Director of Client Services, the group comprises of departmental representatives from across the College and coordinates operational and strategic delivery of climate-related initiatives including climate impact assessments, adaptation planning as well our mitigation carbon reduction projects aligned with our sustainability framework. This cross-College representation ensures that climate change mitigation is not confined to a single department, but recognised as a whole-College responsibility, fostering collaborative efforts to reduce emissions and embed sustainability throughout operations and culture. The terms of reference for the group clearly sets out the College's commitment to embedding sustainability, promoting climate action and creating an ethos of environmental responsibility throughout the entire College community.

The College climate risk assessment and adaptation planning process comprises of a cross-departmental task group formed from members of Sustainability Working Group including Estates, Finance, IT and Curriculum. The Climate Adaptation Task Group takes responsibility for assessing the climate risks pertaining to their departments and develops actions to mitigate the effects of climate change on the College for both the present-day setting and into 2050. Climate risk assessments and adaptation action plans are reviewed annually by the Sustainability Working Group.

Progress upgrades arising from the Sustainability Working Group are presented to the Senior Management Team on a quarterly basis. At the end of each academic year the Sustainability Annual Report is produced with contributions from all College departments and presented to the Senior Management Team and Governing Body for approval.

Emissions

Emissions scope 1 (Fuel Burned) and 2 (Purchased Electricity)

	Scope 1 (Fuel Burned)	Scope 2 (Purchased Electricity)
Consumption (kWh)	4,683,675	2,516,978
Emissions (kg CO2e)	977,489	*Location based = 445,510* *Market based = 0*
Net Cost (£)	293,722	639,080

Table 6

Source of data: utility supplier invoices

Emissions scope 1 (College owned transport)

Fuel Type	Litres	Kg CO2e 2025-26
Diesel	1,401	3,600
Petrol	855	1,768

Table 7

Source of data: fuel card supplier data

Emissions Scope 3 (Fuel burned due to business travel via staff owned transport)

Year	Mileage	Kg CO2e
2025-26	212,959	57,023

Source of data: College travel and subsistence claim data

Table 8

Emissions Scope 3 – Business travel using public transport that is claimed back

Year	Bus (Cost, £)	Rail (Cost, £)	Taxi (Cost, £)
2025-26	86	1,310	40

Source of data: College travel and subsistence claim data

Table 9

Emissions Scope 3 – Business travel that is booked by College Travel Agent

Mode of transport	Category	Class	Eight month period to 31 March 2026	
			Distance (km)	Emissions (kg CO2e)
Domestic Flight		Economy	38,357	8,795
		Premium Economy	-	-
		Business	-	-
		First	-	-
International Flight	Short Haul	Economy	8,614	1,101
		Premium Economy	-	-
		Business	-	-
		First	-	-
	Long Haul	Economy	-	-
		Premium Economy	-	-
		Business	-	-
		First	-	-
Rail Travel		Standard	1,720	38
		First Class	-	-

Source of data: Supplier invoices

Table 10

Hotel Stays Booked by College Travel Agent

	Country	No of nights stayed	Emissions (kgCO2e)
Hotel Bookings	UK	100	1,040
	UK London	2	23
	Ireland	19	475
	Finland	8	322

Source of data: College travel and subsistence claim data

Table 11

Car Hire Booked by College Travel Agent

Year	Mileage	Emissions (kg CO2e)
2025-26	-	-

Source of data: Supplier invoices

Table 12

Paper printed by year

Year	Paper Printed (pages)
2023-24	3,734,401
2024-25	3,604,001
2025-26	2,465,899

Source of data: College records

Table 13

Responsible disposal of ICT waste

In the specification of the "Framework for disposal services for IT equipment, electronic and electrical equipment", suppliers must have BS EN ISO 14001; 2015 - Environmental Management System accreditation (or equivalent) before being appointed to the framework.

The framework specification also requires the following from suppliers.

All equipment that is not resold must be dismantled and recycled/disposed in accordance with the relevant legislation including, but not limited to:

- the Waste Electrical and Electronic Equipment Directive;
- BS EN ISO 14001: 2015;
- the Environmental Protection Act 1990; and
- the Hazardous Waste Regulations.

Sustainable Procurement Practices

The Scoring Social Value policy approved by the Executive mandated that, from June 2022, tenders must include a minimum of 10% of the total award criteria to social value. On 5 December 2024 the Department of Finance secured Executive approval for a revised PPN (Procurement Policy Note) 01/21 - Social Value in Procurement. This came into effect on 24 February 2025 and strengthened and broadened the theme 'Delivering Net Zero' to 'Delivering Climate Action'.

For information on the meaning of Social Value: the Public Procurement Policy Statement which was approved by the NI Executive on the 5 June 2025 states "Social Value means economic, environmental and social benefits in support of the Programme for Government". The DoF Social Value Strategy document 2025-2027 states, "Social Value refers to wider financial and non-financial impacts on the wellbeing of individuals, communities and the environment. It incorporates ethical and sustainable supply chains, community benefits and wealth building, job and skills creation and efforts to combat climate change".

The Procurement Policy Note (PPN) 01/21 – Scoring Social Value has been revised to Procurement Policy Note (PPN) 01/21 - Social Value in Procurement and came into effect on 24 February 2025.

The College is compliant with all Procurement Policy Notes relating to Social Value.

Single Use Plastics (SUP)

The College has removed all unnecessary single-use plastic (SUP), where practical, throughout its estates.

A key example is the replacement of all single use plastic cutlery with recyclable wooden alternatives throughout all College catering facilities.

The College continues to review its use of SUPs, for example bin bags, and will endeavour to continue to reduce their use, where possible.

FINANCIAL OBJECTIVES

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

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

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

Financial Performance monitoring

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

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

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

FINANCIAL RESULTS AND POSITION

Financial Results

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

The College generated a deficit, as recorded in the Statement of Comprehensive Income & Expenditure, in the eight month period of £10.42m (2025-26 year: deficit of £2.6m).

The College is a Non-Departmental Public Body (NDPB) of the Department for the Economy. The financial performance target, as set by the parent Department, is to deliver an actual Resource Requirement in line with its approved Resource Budget Allocation. The Resource Requirement is arrived at by quantifying the College's total resource expenditure less income received outside of Grant in Aid.

Statement of Comprehensive Income and Expenditure

The result in the eight month period to 31 March 2026 is stated after accounting for a pension charge of £298k. The actuarial assumptions used in calculating the pension charge are explained in Note 17. The excess of pension assets over liabilities in the NILGOSC scheme and attributable to SRC has increased by £4.54m (31 July 2025; £8.47m). However, due to the application of the asset ceiling, the valuation is adjusted to remove the irrecoverable surplus of £4.21m in the period (31 July 2025; £8.08m).

The actuarial gain was mainly driven by:

- a gain on asset returns of £1.44m;
- a gain on liabilities of £0.72m;
- a change in the demographic assumptions resulting in a loss of £0.14m;
- a gain from the interest on the recoverable surplus of £0.63m; and
- a gain on experience adjustment of £1.89m.

Net Assets and Reserves

Net assets at 31 March 2026 were £74.51m (31 July 2025: £83.16m). This includes a £2k pension liability (31 July 2025: £5k) and £152k of provisions (31 July 2025: £152k).

The College has a revaluation reserve of £63.93m (31 July 2025: £63.61m). Land and buildings were subject to a valuation update at 31 March 2026 by the application of indices, performed independently by the Land and Property Services (LPS). The valuations increased the revaluation reserve by £2.058m, whilst £1.733m was transferred from revaluation reserve to the income and expenditure reserve.

The College has an accumulated income and expenditure reserve of £10.58m (31 July 2025: £19.56m) (excluding the Pension Deficit of £2k (31 July 2025: £5k) and cash balances of £3.3m as at 31 March 2026 (31 July 2025: £5.31m).

TREASURY POLICIES AND OBJECTIVES

TREASURY MANAGEMENT

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

In accordance with the Partnership Agreement between the Department for the Economy and the College[3], the College should not have surplus funds. At Statement of Financial Position date, the College does not have surplus funds available for investment.

CASH FLOWS AND LIQUIDITY

Cash outflow was £2.01m (2024-25: £1.88m inflow). The College does not have any borrowings, long-term loans or financing.

PAYMENT PERFORMANCE

The Late Payment of Commercial Debts (Interest) Act 1998 requires the College, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%. During the accounting period 1 August 2025 to 31 March 2026, the College paid 97% (98%, 2024-25 full year) of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2025 to 31 March 2026, the College paid 83% (80%, 2024-25 full year) of its invoices within 10 days.

GOING CONCERN

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

RESOURCES

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

PRINCIPAL RISKS AND UNCERTAINTIES

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

The College has in place a comprehensive Corporate Risk Register and a series of Operational Risk Registers, all of which form part of the College's internal control and Corporate Governance arrangements. During 2025-26, the College continued to embed Cloud-based Risk Management software to further enhance the system of internal control, providing a complete picture of the Colleges risk, controls, and assurance environment in real time.

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

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

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

Below is a summary of the risks on the Corporate Risk Register during the 2025-26 academic year:

No.	Risk Category	Risk Area	Risk Description
1	Financial and Budgetary Management	Finance	Failure to ensure the financial sustainability of the College
2	Business Continuity	Operational	Inability to evolve to prevent and respond effectively to Cyber Security/ICT failure
3	Staff, recruitment, retention, and development	Operational	Inability of the College to recruit an appropriately skilled workforce
4	Business Continuity	Operational	Inability to deliver College Estate Strategy
5	Teaching and Learning	Operational	Inability of the College to maintain sustainable student numbers
6	Safeguarding and Health and Safety	Operational	Inability of the College to effectively ensure the safeguarding of students
8	Governance, Legal and Compliance	Operational	Inability to respond to Trade Union industrial action
9	Teaching and Learning	Operational	Failure to successfully administer and deliver externally funded programmes/projects
10	Governance, Legal and Compliance	Operational	Inability to ensure governance arrangements are effective, appropriate and accountable

Table 14

STAKEHOLDER RELATIONSHIPS

The College has a number of important stakeholders including:

- Current and past students
- Prospective students
- Parents/carers
- Staff
- Governing body
- Local community
- The Department for the Economy
- Schools sector
- Local employers
- Media
- Local Enterprise Agencies
- Elected representatives
- Government offices/regional development agencies
- Local councils
- Community organisations
- Chambers of Commerce
- Trade unions
- PSNI community partnerships
- Education and Training Inspectorate (ETI)
- Sector skills councils
- Other FE colleges
- Universities
- Professional bodies
- Awarding bodies
- Competitions and Market Authority
- Quality Assurance Agency

The College stakeholders play a vital role in the successful journey of the College, and we strive to develop successful relationships with those both inside and outside of the organisation. Key to this is successful stakeholder management – maintaining and promoting strong and positive working relationships with those people most likely to have a significant impact on the fortunes of the College.

The College is committed to maintaining clear, transparent, and timely communication with all stakeholders, including students, staff, parents, alumni, governing bodies, and community partners. Multiple channels—such as newsletters, official emails, the College website, and social media platforms—are utilised to ensure important updates are accessible and widely disseminated. Regular meetings, feedback forums, and surveys provide opportunities for dialogue, ensuring that all voices are heard and considered in decision-making processes. By fostering an environment of openness and responsiveness, the College strengthens trust, builds lasting relationships, and ensures that all stakeholders remain actively engaged in our progress and achievements.

EQUAL OPPORTUNITIES AND EMPLOYMENT OF DISABLED PERSONS

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

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

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

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

The College also completed its fair employment monitoring return and annual equality progress review during the reporting year, submitting both to the Equality Commission during 2025-26.

DISABILITY STATEMENT

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

These accounts are subject to statutory audit by the Northern Ireland Audit Office.

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

PERSONAL DATA RELATED INCIDENTS

During the period August 2025 to March 2026, there have been no personal data breaches which have reached the threshold for referral to the Information Commissioner's Office.

CHARITABLE AND TAXATION STATUS

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

CHARITABLE/POLITICAL DONATIONS

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

AUDITORS AND PROFESSIONAL ADVISERS	
External Auditors	Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU
Internal Auditors	Henderson Loggie, Suite 5.3, Kirkstane House, 139 St Vincent Street, Glasgow, G2 5JF (from 1 August 2025)
Bankers	Danske Bank, Corporate Banking, Donegall Square West, Belfast, BT1 6JS Bank of Ireland, 4-8 High Street, Belfast, BT1 2BA
Solicitors	A&L Goodbody Northern Ireland LLP, 42-46 Fountain Street, Belfast, BT1 5EF Carson McDowell, Murray House, Murray Street, Belfast, BT1 6DN

Table 15

MEMBERS

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

Name	Date of Appointment	Term of Office	Status of Appointment	Committees Served
Lee Campbell	05/02/2024	Present	Principal and Chief Executive	EC, F&GP, SC
Thomas Moore Chair of GB from 01/08/2022	13/01/2022	31/07/2026	GB Chair	EC, SC
Hilary Singleton OBE	13/01/2022	21/09/2026	GB Vice Chair	ARC (Chair), EC
Stuart Harper	29/09/2022	28/09/2030	Member	EC (Chair)
Tracy Strachan	01/08/2021	04/11/2025	Member	F&GP (Chair)
Gary McMurray	13/01/2022	12/01/2030	Member	SC (Chair), F&GP (Interim Chair 04/11/2025)
Nick Harkness	03/10/2022	02/10/2026	Member	F&GP
Laura Milner	13/01/2022	27/01/2025	Member	EC, SC
Angela Whiteside	01/08/2023	31/07/2027	Member	EC
Geraldine Campbell	01/08/2023	31/07/2027	Member	ARC
Monica Kelly	01/08/2023	31/07/2027	Member	F&GP
Patricia McCaffrey	01/08/2023	31/07/2027	Member	ARC, SC
Sean Fitzsimons	01/08/2023	31/07/2027	Member	F&GP
Andrew Sloan	19/06/2024	18/06/2028	Member	ARC, SC
Liz Finnigan	16/11/2023	15/11/2027	Staff Member	EC
Sharon O'Hare	16/11/2023	15/11/2027	Staff Member	ARC
Celine Maria Corhea	16/09/2025	30/09/2026	Student Representative	EC

Table 16

Committees:

ARC	Audit and Risk Committee
EC	Education Committee
F&GP	Finance and General Purposes Committee
SC	Staffing Committee

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

For and on behalf of the members of the Governing Body



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Mrs L Campbell
Accounting Officer Date: 3 November 2026

MEMBERS OF THE GOVERNING BODY

Members of the Governing Body and the Chairperson are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland.

The Members of the Governing Body and the Chairperson are appointed for a fixed period of up to four years. Thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of Governing Body members (excluding staff members) was first introduced by DfE from 1 January 2016. There are no arrangements in place for the payment of a bonus. No member of the Governing Body, including the Chairperson, receives a pension contribution from the College or DfE. The College also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

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

Name	Salary 2025-26 £'000	Benefits in kind 2025-26 £'000	Pension Benefits 2025-26 £'000	Total 2025-26 £'000	Salary 2024-25 £'000	Benefits in kind 2024-25 £'000	Pension Benefits 2024-25 £'000	Total 2024-25 £'000
Thomas Moore Member	10-15	0	0	10-15	20-25	0	0	20-25
Tracy Strachan Member	0	0	0	0	0-5	0	0	0-5
Hilary Singleton OBE Member	0-5	0	0	0-5	0-5	0	0	0-5
Gary McMurray Member	0-5	0	0	0-5	0-5	0	0	0-5
Laura Milner Member	0-5	0	0	0-5	0-5	0	0	0-5
Nick Harkness Member	0-5	0	0	0-5	0-5	0	0	0-5
Stuart Harper Member	0-5	0	0	0-5	0-5	0	0	0-5
Monica Kelly Member	0-5	0	0	0-5	0-5	0	0	0-5
Angela Whiteside Member	0-5	0	0	0-5	0-5	0	0	0-5
Sean Fitzsimons Member	0-5	0	0	0-5	0-5	0	0	0-5
Patricia McCaffrey Member	0-5	0	0	0-5	0-5	0	0	0-5
Liz Finnigan Member	0-5	0	0	0-5	0-5	0	0	0-5

Name	Salary 2025-26	Benefits in kind 2025-26	Pension Benefit 2025-26	Total 2025-26	Salary 2024-25	Benefits in kind 2024-25	Pension Benefit 2024-25	Total 2024-25
Geraldine Campbell Member	0-5	0	0	0-5	0-5	0	0	0-5
Sharon O'Hare Member	0-5	0	0	0-5	0-5	0	0	0-5
Andrew Sloan Member	0-5	0	0	0-5	0-5	0	0	0-5
James Hutchinson Member prior year (left March 2025)	0	0	0	0	0-5	0	0	0-5
Celine Maria Corhea Member	0-5	0	0	0-5	0	0	0	0

Table 17

THE PRINCIPAL AND CHIEF EXECUTIVE AND SECOND TIER OFFICERS (SENIOR STAFF)

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

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

MINIMUM PAY LEVELS

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

PROGRESSION

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

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

PERFORMANCE PAY

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

STAFF REPORT (AUDITED INFORMATION)

Total staff costs are as follows:

	2026 £'000	2025 £'000
Wages and salaries	19,859	24,999
Social security costs	2,243	2,746
Apprentice Levy	80	107
Pension cost	4,040	6,181
Total	**26,222**	**34,033**

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

	2026 No.	2025 No.
Teaching	327	334
Support	107	106
Administration	191	187
Premises	27	25
Total	**652**	**652**

The College has not employed any Agency staff during the period.
Further information in respect of staff costs is disclosed in Note 7 to the Financial Statements.

STAFF COMPOSITION

The number of staff contracts held was 986 (Male 294 and Female 692). In 2024-25 the staff contracts held was 1,085 (Male 320 and Female 765).

SICKNESS/ABSENCE DATA

The sickness/absence was recorded at 4.32% or 6.61 days per employee for 2025-26 (2024-25 was 4.22% or 9.52 days).

STAFF TURNOVER

Staff turnover (excluding Part Time Lecturers) for the period was 5.34% (2024-25 was 4.59%).

OFF PAYROLL ENGAGEMENTS

The College has no off-payroll engagements during the year (2024-25 none).

EQUALITY OF OPPORTUNITY AND EMPLOYMENT OF DISABLED PERSONS

Equality of Opportunity and Employment of Disabled Persons is included on page 28 of the strategic report.

STAFF DEVELOPMENT

The College is committed to learning and development for all staff which contributes to high standards of work performance, enables the sharing of ideas and the dissemination of good

practice, builds strong and effective teams, encourages professional development and results in continuous improvement in the quality of services to our students and stakeholders.

Staff achievements have been included on page 19 of the strategic report.

CONSULTATION/RELATIONSHIP WITH RECOGNISED TRADE UNIONS

During the year the College met with both academic and support staff trade unions, namely NIPSA (Northern Ireland Public Service Alliance) and UCU (University and College Union). The College recognises the importance of consultation with Trade Union colleagues to ensure good relations across the College.

TOTAL REWARD PACKAGE

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

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

SENIOR STAFF PAY AWARD

The rates of salaries for senior staff in Colleges of Further Education from 1 September 2023 was agreed on 25 October 2024. The pay award due at 1 September 2024 is with Department of Finance (DoF) for approval.

The balance due to senior staff has been accrued in staff costs for the period ended 31 March 2026.

LECTURING STAFF PAY AWARD

The rates of salaries for lecturers in Colleges of Further Education were published on 24 July 2025. The following change was applied in the period:

- 3.0% increase in salary rates from 1 September 2025.

There was no accrual required for Lecturing staff pay award at March 2026.

SUPPORT STAFF PAY AWARD

There was no accrual required for support staff at March 2026.

EMPLOYMENT CONTRACTS

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

SALARY AND PENSION ENTITLEMENTS (AUDITED)

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

Name	Salary 2025-26	Benefits in kind 2025-26	Pension Benefits 2025-26	Total 2025-26	Salary 2024-25	Benefits in kind 2024-25	Pension Benefits 2024-25	Total 2024-25
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lee Campbell Principal & Chief Executive	85-90	0	20-25	105-115	135-140	0	30-35	165-175
Raymond Sloan Director	60-65	0	0	60-65	105-110	0	0	105-110
Libby Shackels Director	60-65	0	30-35	90-100	100-105	0	85-90	185-195
Joanne McGuigan Director[4]	65-70	0	0	65-70	95-100	0	45-50	140-150

Table 18

[4] Interim Director of Finance and Planning from 26/02/24, retired 31/03/26

FAIR PAY DISCLOSURE – PAY RATIOS

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

The banded salary remuneration of the highest-paid director in the College in the financial year 2025-26 was £130-135k (2024-25: £130-135k). To ensure no impact on comparability, this banded figure does not include the payment for annual leave upon retirement.

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

	2025-26	2024-25
	£'000	£'000
Band of highest paid director's total remuneration	130-135	130-135
25th percentile	25,899	25,190
Ratio	5.0	5.2
Median total remuneration	32,604	31,591
Ratio	4.0	4.1
75th percentile	42,917	39,512
Ratio	3.0	3.3

Table 19

Total remuneration includes salary, non-consolidated payments and benefits-in-kind. It does not include severance/redundancy payments, employer pension contributions, payments in respect of unused annual leave, accrued payments nor the cash equivalent transfer value of pensions.
The 25th percentile, median and 75th percentile remuneration values consist solely of salary payments.

Remuneration ranged from £20k-£25k to £130k-£135k (24-25: £20k-£25k to £130k-£135k).

FAIR PAY DISCLOSURE – PERCENTAGE CHANGE IN REMUNERATION

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

The percentage changes 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 in which their remuneration fell each year. The increase in the pay ratio is due to an increase in the remuneration of the College's employees as a whole due to pay awards applied and accrued for.

Percentage Change for	2025-26 compared to 2024-25
Average employee salary and allowances	2.31%
Highest paid director's salary and allowances	-

Table 20

SALARY

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

BENEFITS IN KIND

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

PENSION ENTITLEMENTS

Name	Accrued pension at pension age as at 31/03/26 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/03/26	Value of CETV at 31/07/25	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Lee Campbell Principal & Chief Executive	5-10 plus lump sum of 0	0-5	145	101	34
Raymond Sloan Director	0	0	0	0	0
Libby Shackels Director	40-45 plus lump sum of 103	0-5	1,016	976	114
Joanne Mc Guigan Director (retired 31 March 2026)	0	0	0	383	55

Table 21

PENSION ARRANGEMENTS

Northern Ireland Teachers' Pension Scheme
Pension benefits may be provided through the Northern Ireland Teacher's Pension Scheme which is administered by the Teachers' Pension Team within the Department of Education. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at www.education-ni.gov.uk.

The pension scheme, from 1 April 2015, operates as Career Average Revalued Earnings (CARE) and all new entrants joining the scheme on or after 1 April 2015 have their benefits calculated using career average arrangements only. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th.

Existing scheme members, on 1 April 2015, who satisfied certain criteria (generally members within 10 years of their normal pension age) remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements.

In 2018, the UK Court of Appeal found that transitional protections put in place in 2015, that allowed older workers to remain in their original scheme, were discriminatory on the basis of age (**McCloud Judgement**).

The NITPS has now made regulations which remedy the discrimination by:

- prospective remedy: all active members of the NITPS becoming members of the 2015 reformed scheme (career average) from 1 April 2022, irrespective of age; and
- retrospective remedy: providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (2015 reformed) scheme rules, or the legacy scheme (final salary) rules which existed before 2015.

This means that all active NITPS Pension Scheme members are in the same pension scheme, CARE, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forward in providing equal pension provision for all scheme members.

The NITPS is implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period i.e. calculated under legacy rules or alternatively calculated under CARE scheme rules. As part of this retrospective remedy, most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, an Immediate Choice will have been issued directly from NITPS.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy can be found at Retrospective Remedy Consultation | Department of Education (education-ni.gov.uk).

Employee contribution rates for all members for the period covering 1 August 2025 to 31 March 2026 are as follows:

Actual annual pensionable earnings From 1 April 2025	Member Contribution Rate
Up to £34,872.99	7.40%
£34,873.00 to £46,943.99	8.87%
£46,944.00 to £55,660.99	9.90%
£55,661.00 to £73,768.99	10.52%
£73,769.00 to £100,590.99	11.65%
£100,591 and above	12.06%

Local Government Pension Scheme (Northern Ireland)

Pension benefits may be provided through the Local Government Pension Scheme (Northern Ireland) (LGPS (NI)) which is administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

The pension scheme operates as a Career Average Scheme where a member builds up retirement pension at the rate of 1/49th pensionable pay for each year.

The LGPS (Northern Ireland) changed from a Final Salary Scheme to a Career Average Scheme on 1 April 2015. Members who joined the Scheme before 1 April 2015 have built up benefits in the final salary scheme. For members between 1 April 2009 and 31 March 2015, pension benefits were built up at the rate of 1/60th pensionable pay for each year of membership. Pension benefits in relation to any membership before 1 April 2009 were build up at the rate of 1/80th (pension) and 3/80ths (tax free lump sum) of pensionable pay for each year of membership up to 31 March 2009. There is no automatic lump sum provided in respect of membership after 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits.

Under the initial scheme reform on 1 April 2025, existing scheme members who were closer to retirement were protected from the changes of LGPS (NI) moving from a final salary scheme to a career average scheme. Subsequently, the **McCloud Judgement** ruled that this protection was discriminatory on the basis of age. The LGPS (NI) has enacted regulations to remedy this discrimination (the **McCloud Remedy**).

The McCloud Remedy gives backdated protections for eligible members who were impacted by the discrimination. This means that when a member takes their pension, NILGOSC will compare the pension built up from 1 April 2015 to 31 March 2022 in the career average scheme with the pension that could have been built up had the final salary scheme continued – if the final salary pension would have been higher, the difference will be added to the member's pension. This addition is called the 'statutory underpin' and applies during the remedy period (1 April 2015 to 31 March 2022).

This removes the discrimination in providing equal pension provision for all scheme members.

Since October 2023, NILGOSC has been implementing this remedy. Members with pension benefits in payment (pre 1 October 2023) have been rectified, and eligible members reaching retirement who have an underpin addition to their pension receive this in their benefits. For a small remaining minority of members, NILGOSC is awaiting final guidance in order to calculate a McCloud underpin. These rectifications will take place in due course, with arrears payable as required.

Further information on the NILGOSC remedy can be found at The McCloud Remedy - NILGOSC.

Employee contribution rates for all members for the period covering 1 April 2025 to 31 March 2026 are as follows:

Pensionable Pay From 1 April 2025	Member Contribution Rate
£0 to £18,300	5.5%
£18,301 to £28,100	5.8%
£28,101 to £47,000	6.5%
£47,001 to £57,200	6.8%
£57,201 to £113,500	8.5%
More than £113,500	10.5%

The LGPS (NI) also offers a 50/50 section whereby members can pay half the contribution rate shown in the table above and build up half the amount of pension.

Cash Equivalent Transfer Values

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

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NITPS or NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. They also include any additional benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

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

The Lifetime Allowance ended in April 2024 and is replaced by the Lump Sum Allowance and The Lump Sum and Death Benefit Allowance.

REAL INCREASE IN CETV

This reflects the increase in CETV that is 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 (which therefore disregards the effect of any changes in factors).

ENHANCED PENSIONS

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

The actuarial assumptions should be read alongside the following information on special events:

- **Guaranteed Minimum Pension (GMP) Indexation**

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

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

The 2022 funding valuation included an allowance for the additional liability potentially arising as a result of GMP indexation for all members reaching State Pension Age after 5 April 2021. The 2022

funding valuation was used as the starting point for the roll-forward calculation at 31 July 2025, and therefore the DBO calculated at 31 July 2025 implicitly includes an allowance for GMP indexation.

The 31 July 2025 accounting valuation does not include any further allowance for GMP indexation, which is line with the 31 July 2024 accounting valuation.

- **Goodwin Ruling**

A legal challenge has been made against the Government in respect of unequitable benefits for male dependants of female members (based on service after 1988) following the earlier Walker ruling. The Walker ruling made it necessary for public service pension schemes to provide survivors of registered civil partnerships or same-sex marriages with benefits that replicate those provided to widows. However, widows' pensions were generally introduced in public service schemes in the 1970s whereas a male widower of a female member historically only received benefits based on service from 6 April 1988.

An Employment Tribunal on 30 June 2020 has upheld the claim, and as a result we have allowed for an additional liability in respect of the Goodwin ruling. An additional liability, equating to 0.1% of the DBO was included in the DBO as at 31 July 2022 with the additional liability being recognised as a past service cost in 2022. No further allowance has been made in the DBO as at 31 July 2025.

- **McCloud Ruling**

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in 2014 and 2015. The claimants challenged the transitional protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The Government requested leave to appeal this decision to the Supreme Court; however, the request was denied on 27 June 2019.

As a result, certain scheme members had to be compensated for any discrimination suffered as a result of the transitional protections. The changes to legislation were implemented in 2015 for the NILGOSC Fund and therefore this only impacts benefits from 1 April 2015 for those members who were active at that date.

In previous years, we advised that no increase to the service cost was required to allow for the impact of the McCloud ruling on materiality grounds. Following the completion of the 2016 cost management process and the end of the McCloud remedy period on 31 March 2022, an uplift to the service cost is no longer required.

The 2022 funding valuation included an allowance for the past service additional liability potentially arising as a result of McCloud underpin. The 2022 funding valuation was used as the starting point for the roll-forward calculation at 31 July 2025 and therefore the DBO calculated at 31 July 2025 implicitly includes an allowance for the McCloud underpin for past service.

- **Virgin Media vs NTL Pension Trustees II Limited**

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the necessary S37 certification associated to these historic amendments was not prepared. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision.

In June 2025 the Department for Work and Pensions (DWP) confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Further detail on the approach and process for this retrospective confirmation is expected to follow in due course.

It is considered that the risk of any adjustments to the Defined Benefit Obligation is now significantly lower than the risk prior to the announcement. As such, the possibility of additional liabilities is remote and therefore a contingent liability disclosure is not required.

At this stage, the actuarial assumptions and advice does not allow for any additional liabilities from prior scheme amendments which may be unwound as a result of the ruling.

All elements of this report are subject to audit.

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

LOSSES

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

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

Losses are disclosed in Note 24.

SPECIAL PAYMENTS

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

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

Special payments are disclosed in Note 24.

REMOTE CONTINGENT LIABILITIES

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

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

There are no remote contingent liabilities at 31 March 2026.

STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND GOVERNING BODY

Under the Further Education (NI) Order 1997 ('the Order'), the Department for the Economy (DfE) (with approval from Department of Finance (DoF)), has directed the Governing Body to prepare, for each financial year, a statement of accounts detailing the resources acquired, held or disposed of, and the use of resources, during the year by the College.

DfE, through the enabling power under Article 19(7), amended the Order to change the financial year of the NI Further Education colleges. Article 3 of the Further Education (Amendment) Order (Northern Ireland) 2026 amended Article 19(6) to change the ending of the financial year from the period of 12 months ending on 31 July to the period of 12 months ending on 31 March. Article 4 of the Amendment Order provides the transitional provisions for the requirements where the period starting on 1 August 2025 for a statement of accounts required under Article 19 of the 1997 Order ends on 31 March 2026 (and any annual amounts in the statement of accounts are to be pro-rated accordingly).

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Southern Regional College and of its income and expenditure, Statement of Financial Position and cash flows for the eight month financial period ending on 31 March 2026.

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

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

The Governing Body is also required to prepare an annual Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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

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

The Accounting Officer of DfE has designated the Principal and Chief Executive as the Accounting Officer of the College.

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

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

Approved by order of the Governing Body members on 3 November 2026 and signed on its behalf by:



_____

Mrs L Campbell
Accounting Officer

INTRODUCTION

This Statement of Corporate Governance and Internal Control sets out the governance structures, risk management system and the internal control procedures that operated within the Southern Regional College during the eight month period ended 31 March 2026 and up to the date of approval of the Annual Report and Accounts.

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

GOVERNANCE FRAMEWORK

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

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

CORPORATE GOVERNANCE AND REGISTER OF INTERESTS

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

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

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

GOVERNING BODY

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

The role of the Chair of the Governing Body is separate and distinct from the role of the Principal and Chief Executive who is the designated Accounting Officer of the College. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Principal and Chief Executive and the Executive Team are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. Governing Body and committee meetings took place through a combination of face to face and Microsoft Teams. The Governing Body met on four occasions during the eight month period ended March 2026 and is supported by a number of committees, including the Staffing Committee, Finance and General Purposes Committee, Education Committee and the Audit and Risk Committee. All these committees are formally constituted with terms of reference and comprise mainly members of the Governing Body.

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

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

A schedule of membership and attendance at Governing Body and Committee meetings for the 2025-26 year is shown in the table on page 51. In total, there were 15 meetings of the Governing Body and its sub committees during the eight month period, to 31 March 2026. Average Member attendance recorded at Governing Body meetings during 2025-26, excluding staff and student representatives, was 93.75% (90.34% for 2024-25).

AUDIT AND RISK COMMITTEE

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

The Committee met three times during the eight month period, to 31 March 2026, to discuss reports from the External and Internal Auditors and the relevant responses. The College's Internal Auditors and External Auditors were represented at all Audit and Risk Committee meetings. The Committee also receives and considers any reports from the Department for the

Economy and reviews the annual financial statements to ensure compliance with legislation and accounting standards. Whilst Executive Officers and other officials attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee can meet with both the internal and external auditors on their own for independent discussions.

FINANCE AND GENERAL PURPOSES COMMITTEE

The Finance and General Purposes Committee has oversight of all matters relating to the finance and accounts of the College and the receipt of its income and expenditure. The main business of the Finance and General Purposes Committee is to monitor, determine and advise the Governing Body on the College's solvency, recommend for approval the annual estimate of income and expenditure, and monitor performance in relation to the approved budget. During 2025-26 the Committee also considered updates on the Estates projects, the annual review on the Health and Safety policy and statement, business cases for approval, and a number of policies including the fees policy and the annual schedule of fees. The Committee also considers other matters as the Governing Body may from time-to-time remit to it. The Committee met on three occasions during the eight month period, to 31 March 2026.

EDUCATION COMMITTEE

The Education Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve. In particular, it considers the impact of strategic proposals, the broader educational environment and current and topical issues that have the potential to impact on educational, vocational and curricular provision. The Committee met on three occasions during the eight month period, to 31 March 2026.

STAFFING COMMITTEE

The Staffing Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior management. Over the course of the year, the work of the Committee also included: receiving the annual key performance indicator report, monitoring the delivery of the Employee Development plan, reviewing performance measures, monitoring a new plan for the following year and receiving an update on Investors in People (IIP). The Committee met on two occasions during the eight month period, to 31 March 2026.

	Governing Body	Audit and Risk Committee	Finance and General Purposes Committee	Education Committee	Staffing Committee
No. of meetings held:	**4**	**3**	**3**	**3**	**2**
Lee Campbell (Interim Principal & Chief Executive) 05/02/2024 to 03/09/2024 (Principal & Chief Executive) 04/09/2024 to present	4	3	3	3	2
Thomas Moore (Term of office ended 31.07.26)	4	3	2	3	2
Hilary Singleton OBE (Resigned 21.09.26)	4	3	-	3	-
Stuart Harper	4	-	-	3	-
Gary McMurray	3	-	3	-	2
Nick Harkness	3	-	3	-	-
Laura Milner	3	-	-	1	1
Angela Whiteside	4	-	-	3	-
Geraldine Campbell	4	3	-	-	-
Monica Kelly	4	-	3	-	-
Patricia McCaffrey	3	3	-	-	2
Sean Fitzsimons	3	-	2	-	-
Andrew Sloan	4	3	-	-	2
Liz Finnigan (Teaching Staff Representative) From 16/11/2023	4	-	-	2	-
Sharon O'Hare (Support Staff Representative) From 16/11/2023	3	3	-	-	-
Celine-Maria Corhea (Student Representative) From 01/10/2024 to 30/09/2026	3	-	-	3	-
Tracy Strachan From 01/08/2021 to 04/11/2025	-	-	-	-	-

Table 22

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

PRINCIPAL AND CHIEF EXECUTIVE AND ACCOUNTING OFFICER AND THE SENIOR MANAGEMENT TEAM

The Principal and Chief Executive as Accounting Officer exercises considerable influence upon the development of strategy, the identification and planning of new developments and the shaping of the College ethos. The Principal and Chief Executive is supported in this role by an Executive Team comprising of three Executive Directors: the Director of Finance and Planning,

the Director of Client Services, and the Director of Curriculum. In addition to the Executive Team, there is a Senior Management Team (SMT) that comprises the Principal and Chief Executive, the Executive Team, seven Assistant Directors, four Heads of Faculty and one Head of Department. The Executive Team and the Senior Management Team meet on a regular basis to discuss, review and progress a range of strategic and operational matters.

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

RISK MANAGEMENT

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

The robust risk management process is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

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

1. **Governing Body** – which has defined the strategic approach, encourages a culture of risk management within the College and during 2024-25 monitored, primarily through the Audit and Risk Committee, that significant risks were being managed;
2. **Audit and Risk Committee** – which has specific responsibility, delegated to it by the Governing Body, for oversight of the system of internal control, including the College's approach to Risk Management. The Audit and Risk Committee met on five occasions during the year and reviewed the corporate risk register and the actions plans to control and mitigate potential risks; and
3. **Risk Management Group** – This group is chaired by the Principal and Chief Executive and comprises the Director of Finance and Planning, the Director of Curriculum and the Director of Client Services. The Risk Management Group has overall responsibility for the administration and implementation of the risk management process in the College.

Each of the Executive Directors manage and control Functional Risk Registers within their Directorate. In total, there are 15 functional area Risk Registers, these are regularly reviewed by the Director and presented to the Risk Management Group to inform and update the corporate risk register.

INTERNAL AUDIT

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. The internal audit plan was endorsed and approved by the Audit & Risk Committee and the Governing Body.

The internal audit service reports to the Accounting Officer and to the Audit & Risk Committee on a regular basis and has direct access to the Governing Body and to the Chairperson of the Audit & Risk Committee.

Internal Audit is a key element that contributes to the effectiveness of risk management, control and governance processes within the College. The Internal Audit Operational Plan for 2025-26 saw the completion of a programme of work, details as follows:

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

Internal Audit Operational Plan and Assurance Ratings 2025-26	
Area Reviewed:	**Assurance Rating:**
Procurement and Creditors / Purchasing	Good
Payroll	Satisfactory
Curriculum Planning & Quality of Learning & Teaching	Good
Mandatory DfE review – Assurances on College Performance Data	Good

Table 23

INTERNAL AUDIT OPINION

In our opinion, the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. From the internal audit work conducted during 2025/26 we have not identified any downward trends in relation to risk management, control, or governance. Our review of the Corporate Risk Register, which was presented to the March 2026 meeting of the Audit and Risk Committee, did not identify any residual risks which were above the risk appetite level. Listing any such risks is a new requirement of the GIAS (Global Internal Audit Standards), which were introduced in 2025. This opinion has been arrived at taking into consideration the work we have undertaken during 2025/26. Based on the work performed during 2024-25, Internal Audit has provided a satisfactory assurance over the internal control environment at Southern Regional College as at the year-end.

EXTERNAL AUDIT

The Comptroller and Auditor General has statutory responsibility for the audit of Southern Regional College under the Further Education (NI) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (NI) 2008.

The Northern Ireland Audit Office is independent of Government and is tasked by the Assembly to hold the Northern Ireland Departments and their Agencies to account for their use of public money.

The Comptroller and Auditor General works closely with the Assembly's Public Accounts Committee which can require Accounting Officers and senior officials to account for their actions in relation to the management of public funds.

A representative from the External Auditors is invited to the Southern Regional College's Audit and Risk Committee meetings.

ASSURANCE STATEMENTS

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

INFORMATION ASSURANCE

Effective information security is a key priority for the College, and it recognises that appropriate principles of information security must be applied to the information it holds. A framework has been established, including policies and procedures, that identify key roles and responsibilities and the monitoring and reporting processes to be followed. Processes and controls over information are regularly reviewed to ensure compliance with best practice and current legislation. The College was notified of three allegations of a breach of personal data (relating to the same issue) during the reporting period. The College's investigation into the matter concluded that the personal data in question was managed in line with College Policy, which was underpinned by legislation. Out of an abundance of caution and transparency, the College referred the matter to the ICO for opinion. The ICO agreed with the determination of the College's investigation and confirmed there had been no breach of personal data.

FRAUD REPORTING

The College has a detailed Anti-Fraud Policy and Fraud Response Plan, which is revised and updated on a regular basis. The Anti-Fraud Policy and Fraud Response Plan sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. The Anti-Fraud Policy is included as mandatory training for all staff.
The College reports all suspected or detected frauds to DfE in line with the Partnership Agreement between the Department for the Economy and the College. During 2025-26 there was no fraud reported.

PUBLIC INTEREST DISCLOSURE

The College has a Public Interest Disclosure (PID) (Whistleblowing) Policy which is subject to periodic review and updated as necessary. The Policy provides individuals with a process to facilitate the reporting of concerns and suspected wrongdoing within the College and highlights the protection afforded to those who disclose concerns under the Public Interest Disclosure (NI) Order 1998. The College has a mandatory training module in place which all staff must complete. During 2025-26 the College received no disclosures under this Policy.

SIGNIFICANT GOVERNANCE ISSUES

The review of the effectiveness of the systems and processes that comprise the governance framework demonstrates that governance arrangements within Southern Regional College are operating effectively. There are no significant internal control or non-compliance issues to report in respect of the 2025-26 financial year.



Mrs L Campbell
Accounting Officer

Date: 3 November 2026

Opinion on financial statements

I certify that I have audited the financial statements of Southern Regional College (the College) for the year ended 31 March 2026 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise the Statements of: Comprehensive Income and Expenditure, Changes in Reserves, Financial Position, Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In my opinion the financial statements:

- give a true and fair view of the state of Southern Regional College's affairs as at 31 March 2026 and

- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

Conclusions relating to going concern

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

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

ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for the College is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.
My responsibilities and the responsibilities of the Accounting Officer and Governing Body with respect to going concern are described in the relevant sections of this report.

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Remuneration and Staff Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and

- the information given in Strategic Report, Remuneration and Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared are consistent with the financial statements.

Matters on which I report by exception

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

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

Responsibilities of the Accounting Officer and Governing Body

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

- maintaining proper accounting records;
- 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 of error;
- assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the College will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

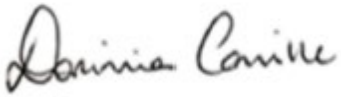
- obtaining an understanding of the legal and regulatory framework applicable to the College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included governing legislation and any other relevant laws and regulations identified;
- making enquires of management and those charged with governance on the College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of the College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
    - performing analytical procedures to identify unusual or unexpected relationships or movements;
    - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
    - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
    - investigating significant or unusual transactions made outside of the normal course of business.

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

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

Report

I have no observations to make on these financial statements.



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

10 November 2026

SOUTHERN REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE EIGHT MONTH PERIOD ENDED 31 MARCH 2026

	Notes	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
INCOME			
Department for the Economy income	1	28,533	42,445
Education contracts	2	3,522	5,129
Tuition fees and charges	3	1,248	1,938
Other grant income	4	363	257
Other operating income	5	1,245	1,708
Investment income	6	150	243
Total income		**35,061**	**51,720**
EXPENDITURE			
Staff costs	7	(26,222)	(34,022)
Other operating expenses	9	(16,229)	(15,398)
Depreciation, amortisation and impairment	12,13	(3,027)	(4,885)
Interest and other finance costs	10	-	-
Total expenditure		**(45,478)**	**(54,305)**
Deficit before exceptional items		**(10,417)**	**(2,585)**
Exceptional staff costs - Voluntary Exit Scheme	7	-	(3)
Exceptional staff costs - Provision for annual leave on overtime	7	-	(8)
Total exceptional items		-	(11)
Deficit before other losses		**(10,417)**	**(2,596)**
Deficit before tax		**(10,417)**	**(2,596)**
Taxation	11	-	-
Deficit for the year		**(10,417)**	**(2,596)**
Unrealised surplus on revaluation of land and buildings	12	2,058	3,795
Actuarial gain in respect of pension scheme	19	3,917	8,072
Irrecoverable surplus on pension scheme	19	(4,212)	(8,077)
Total comprehensive income and expenditure for the year		**(8,654)**	**1,194**
Represented by:			
Unrestricted comprehensive income and expenditure for the year		(8,654)	1,194
		(8,654)	**1,194**

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

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

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE EIGHT MONTH PERIOD ENDED 31 MARCH 2026

	Income and expenditure account			Revaluation Reserve	Total
	Unrestricted (excluding Pension)	Pension Reserve	Unrestricted (including Pension)		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2024	**19,336**	**(5)**	**19,331**	**62,639**	**81,970**
Deficit from Statement of Comprehensive Income and Expenditure	(2,601)	5	(2,596)	-	(2,596)
Other comprehensive income	-	8,072	8,072	3,795	11,867
Irrecoverable surplus on pension scheme	-	(8,077)	(8,077)	-	(8,077)
Transfers between revaluation and income and expenditure account	2,826	-	2,826	(2,826)	-
Balance at 1 August 2025	**19,561**	**(5)**	**19,556**	**63,608**	**83,164**
Deficit from Statement of Comprehensive Income and Expenditure	(10,715)	298	(10,417)	-	(10,417)
Other comprehensive income	-	3,917	3,917	2,058	5,975
Irrecoverable surplus on pension scheme	-	(4,212)	(4,212)	-	(4,212)
Transfers between revaluation and income and expenditure account	1,733	-	1,733	(1,733)	-
Total comprehensive income for the year	**(8,982)**	**3**	**(8,979)**	**325**	**(8,654)**
Balance at 31 March 2026	**10,579**	**(2)**	**10,577**	**63,933**	**74,510**

SOUTHERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Non-current assets			
Tangible fixed assets	12	117,990	117,058
Intangible fixed assets	13	45	97
Total non-current assets		**118,035**	**117,155**
Current assets			
Trade and other receivables	14	2,138	1,915
Cash and cash equivalents	18	3,298	5,310
Total current assets		**5,436**	**7,225**
Less: Creditors - amounts falling due within one year	15	(13,369)	(6,181)
Net current (liabilities)/assets		**(7,933)**	**1,044**
Total assets less current liabilities		**110,102**	**118,199**
Less: Creditors - amounts falling due after more than one year	16	(35,438)	(34,878)
Provisions			
Pensions	17	(2)	(5)
Provisions for liabilities and charges	17	(152)	(152)
Total provisions for liabilities and charges		**(154)**	**(157)**
Net assets including pension liability		**74,510**	**83,164**
Unrestricted reserves			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		10,579	19,561
Pension reserve		(2)	(5)
Income and expenditure account – unrestricted reserves (including pension reserve)		10,577	19,556
Revaluation reserve		63,933	63,608
Total reserves		**74,510**	**83,164**

The financial statements on pages 60-92 were approved by the Governing Body of Southern Regional College on 3 November 2026 and were signed on its behalf on that date by:



Mrs L Campbell
Accounting Officer
The accompanying accounting policies and notes form an integral part of these financial statements

SOUTHERN REGIONAL COLLEGE
CASH FLOW STATEMENT
FOR EIGHT MONTH PERIOD ENDED 31 MARCH 2026

	Notes	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Cash outflow from operating activities			
Deficit for the year		(10,417)	(2,596)
Adjustment for non-cash items			
Depreciation	12	2,975	4,805
Adjustment for impairment below cost	12	-	3
(Increase)/Decrease in receivables less than one year	14	(223)	404
Increase in payables less than one year	15	7,188	1,462
Increase/(Decrease) in payables more than one year	16	560	(549)
Amortisation of intangible asset	13	52	77
Use of other provisions	17	-	9
NILGOSC FRS 102 Pension adjustment	19	(298)	(5)
Pension interest cost	19	-	-
Adjustment for investing or financing activities			
Proceeds on disposal of fixed assets		-	-
Investment income	6	(150)	(243)
Net cash inflow from operating activities		**(313)**	**3,367**
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	-
Payments made to acquire tangible fixed assets	12	(1,849)	(1,733)
Investment income	6	150	243
Net cash outflow from investing activities		**(1,699)**	**(1,490)**
(Decrease)/Increase in cash and cash equivalents in the year		**(2,012)**	**1,877**
Net funds at 1 August		5,310	3,433
Net funds at 31 March (Comparatives July 25)		**3,298**	**5,310**

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

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

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF PREPARATION

The College has changed its accounting reference date from 31 July to 31 March, to match the financial year end of the Department for the Economy.
The change was enacted through The Further Education (Amendment) Order (Northern Ireland) 2026 (available at: The Further Education (Amendment) Order (Northern Ireland) 2026). Article 4 of the Amendment Order provides the transitional provision where the accounting reference period starting on 1 August 2025 ends on 31 March 2026. Accordingly, the current financial statements are prepared for the 8 month period from 1 August 2025 to 31 March 2026. The comparative figures presented in these financial statements refer to the 12 month period ending 31 July 2025. As a result, the comparative figures for the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Cash Flows, and related notes are not entirely comparable with the current period.
These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102.
The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amounts.
They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

BASIS OF ACCOUNTING

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

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

PENSION LIABILITY

The critical judgements of the pension liability schemes are included in the notes to the financial statements. The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 19.

PROPERTY, PLANT AND EQUIPMENT

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT, as the open market value for existing use is not readily obtainable.

Freehold buildings are depreciated over their expected useful economic life to the College as advised by the Land and Property Services (LPS). All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value. A change in depreciable life is treated as a change in accounting estimate.

GOING CONCERN

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

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

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

RECOGNITION OF INCOME

GOVERNMENT GRANTS [ACCRUALS MODEL]

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

TUITION FEES

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

NON-GOVERNMENT GRANTS

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

INTEREST

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

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

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

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

CAPITAL GRANTS (LAND) [PERFORMANCE MODEL]

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

DONATIONS AND ENDOWMENTS

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

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

PENSION SCHEME

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

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

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

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

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

TANGIBLE FIXED ASSETS

LAND AND BUILDINGS

Land and buildings (including those inherited from the Education and Library Board) are stated in the Statement of Financial Position at valuation on the basis of depreciated replacement cost (inclusive of non-recoverable VAT) when the open market value for existing use is not readily obtainable, or existing use value when the open market value is available. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Properties that are surplus to requirements are valued on the basis of market value. Land and buildings acquired since the last valuation are included in the Statement of Financial Position at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by the Land and Property Services. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

ASSETS UNDER CONSTRUCTION

Assets under construction were accounted for at cost based on the value of architects' certificate and other direct costs, incurred to 31 July 2025. They are not depreciated until they are brought into use.

ASSETS OTHER THAN LAND AND BUILDINGS

Assets other than land and buildings costing less than £3,000 per individual item are written off to the Statement of Consolidated Income and Expenditure in the period of acquisition. Assets other than land and buildings inherited from the Education and Library Board are included in the Statement of Financial Position at valuation. All other assets are capitalised at cost.

These assets are depreciated on a straight-line basis as follows:

Asset Category	Original Useful Life (years)	Maximum Useful Life (years)
Computers and IT Equipment	3 years	6 years
Fixtures and Fittings	5 years	10 years
Motor Vehicles	4 years	8 years
Plant and Equipment	5 years	10 years

An asset may reach the end of its useful economic life and be fully depreciated, giving a nil net book value (assuming a nil residual value). Assets will be retained while they remain in use.

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

LEASED ASSETS

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

Leasing agreements which transfer to the College's substantial ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

INTANGIBLE ASSETS

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

FOREIGN CURRENCY TRANSLATION

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

TAXATION

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

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

INVESTMENTS

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

CASH AND CASH EQUIVALENTS

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

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

TRADE AND OTHER RECEIVABLES

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

TRADE PAYABLES

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

PROVISIONS

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

AGENCY ARRANGEMENTS

The College acts as an agent in the collection and payment of Hardship Funds. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in Note 23. The College administers the Hardship Fund applications and payments through a Student Hardship Committee in line with the recommendations from DfE.

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

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

FINANCIAL INSTRUMENTS

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

IMPENDING APPLICATION OF NEWLY ISSUED ACCOUNTING STANDARDS NOT YET EFFECTIVE

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

1. DEPARTMENT FOR THE ECONOMY INCOME

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Grant in aid received from DfE		
Recurrent grant	23,750	36,618
Release of unrestricted capital grants	1,159	2,055
Total grant in aid received from DfE	24,909	38,673
Non-grant in aid received from DfE		
Education Maintenance Allowance administration (EMA)	14	19
Higher level apprenticeships	1,986	1,493
Other non-grant in aid	1,624	2,260
Total non-grant in aid received from DfE	3,624	3,772
Total grant received from DfE excluding exceptional items	**28,533**	**42,445**
Total DfE income	**28,533**	**42,445**

2. EDUCATION CONTRACTS

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Entitlement framework	642	983
Apprenticeships NI	2,880	4,146
Total	**3,522**	**5,129**

3. TUITION FEES AND CHARGES

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Higher Education (HE)	620	926
Home and other European Union	628	1,012
Total	**1,248**	**1,938**

The HE fees above include amounts to fund bursaries payable to eligible HE students of £14k (2025: £30k).

4. OTHER GRANT INCOME

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
European funds	354	10
Other funds	9	247
Total	**363**	**257**

5. OTHER OPERATING INCOME

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Catering and residence operations	745	988
Other income generating activities	485	675
Other income	15	45
Total	**1,245**	**1,708**

6. INVESTMENT INCOME

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Bank interest receivable	150	243
Total	**150**	**243**

7. STAFF COSTS

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Governing body	32	63
Teaching	15,373	19,492
Support	2,887	3,945
Administration	7,409	9,417
Premises	819	1,110
FRS 102 pension adjustment (note 19)	(298)	(5)
	26,222	**34,022**
Exceptional staff costs - Voluntary Exit Scheme	-	3
Exceptional staff costs - Provision for annual leave on overtime	-	8
Total	**26,222**	**34,033**
Wages and salaries	19,859	24,999
Social security costs	2,243	2,746
Apprentice Levy	80	107
Pension cost	4,040	6,181
Total	**26,222**	**34,033**

There were no payroll costs capitalised during the year.

7. STAFF COSTS (continued)

	Senior post-holders		Other staff	
	8 Month Period to 31 March 2026 No.	12 Month Period to 31 July 2025 No.	8 Month Period to 31 March 2026 No.	12 Month Period to 31 July 2025 No.
£60,001 to £70,000	-	-	20	30
£70,001 to £80,000	-	-	14	25
£80,001 to £90,000	-	-	22	10
£90,001 to £100,000	1	-	4	3
£100,001 to £110,000	-	1	5	-
£110,001 to £120,000	-	1	3	-
£120,001 to £130,000	2	-	-	-
£130,001 to £140,000	-	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	-	-
£160,001 to £170,000	1	-	-	-
£170,001 to £180,000	-	1	-	-
Total	**4**	**4**	**68**	**68**

Note: Figures for the 8-month period to 31 March 2026 are pro rata for 12 months to allow for more meaningful comparison.

8. KEY MANAGEMENT PERSONNEL

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

	8 Month Period to 31 March 2026 No.	12 Month Period to 31 July 2025 No.
The number of senior post-holders including the Principal and Chief Executive was:	**4**	**4**

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

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Salaries	284	444
Benefits in kind	-	-
Pension contributions	55	89
Total emoluments	**339**	**533**

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

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Salaries	89	139
Benefits in kind	-	-
	89	139
Pension contributions	25	41
Total	**114**	**180**

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

9. OTHER OPERATING EXPENSES

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Direct teaching	1,855	1,573
Direct support	3,239	3,101
Administration	3,378	3,298
Premises	7,757	7,426
Total	**16,229**	**15,398**

Other operating expenses include:	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Auditors' remuneration:		
Financial statements audit	51	46
Internal audit	25	27
Hire of plant and equipment assets – operating leases	19	72
	95	145

10. INTEREST AND OTHER FINANCE COSTS

	Note	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Net charge on pension scheme	19	-	-
Total		**-**	**-**

11. TAXATION

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

12. TANGIBLE FIXED ASSETS

	Land & buildings £'000	Assets under construction £'000	Plant & equipment £'000	Computer £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1 August 2025	**109,663**	**3,749**	**7,655**	**4,146**	**1,401**	**275**	**126,889**
Additions	264	846	431	308	-	-	1,849
Surplus/ (deficit) on revaluation	2,058	-	-	-	-	-	2,058
Impairment below cost adjustment	-	-	-	-	-	-	-
Disposals	-	-	(1,762)	(1,342)	(732)	(185)	(4,021)
At 31 March 2026	**111,985**	**4,595**	**6,324**	**3,112**	**669**	**90**	**126,775**
Depreciation							
At 1 August 2025	**-**	**-**	**5,542**	**2,672**	**1,397**	**220**	**9,831**
Charge for the year	2,400	-	310	446	(191)	10	2,975
Disposals	-	-	(1,762)	(1,342)	(732)	(185)	(4,021)
Impairment adjustment	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
At 31 March 2026	**2,400**	**-**	**4,090**	**1,776**	**474**	**45**	**8,785**
Net book value at 31 March 2026	**109,585**	**4,595**	**2,234**	**1,336**	**195**	**45**	**117,990**
Net book value at 31 July 2025	109,663	3,749	2,113	1,474	4	55	117,058

REVALUATION

Land and buildings were subject to a three-year interim valuation exercise at 31 July 2025.
At July 2022, a full five-yearly asset valuation exercise and, as such, a full inspection of all assets was undertaken. The valuations were subsequently updated twice a year at March and July in line with indices provided by LPS.

Land and building valuation can be analysed as:

	31 March 2026 £'000	31 July 2025 £'000
Freehold Land and Buildings	109,521	109,599
Leasehold Land	64	64
Owned assets	109,585	109,663

12. TANGIBLE FIXED ASSETS (continued)

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

	31 March 2026	31 July 2025
Cost (including assets under construction)	62,158	60,713
Aggregate depreciation based on cost	(11,610)	(10,946)
Net book value based on cost	**50,548**	**49,767**

The depreciation charge for the year is analysed as follows:

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Owned assets	(2,975)	(4,805)

Jointly Controlled Asset

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

13. INTANGIBLE FIXED ASSETS

	Computer Asset £'000	Total £'000
Cost or valuation		
At 1 August 2025	**424**	**424**
Reclassification	-	-
Transfer to Asset in Use	-	-
At 31 March 2026	**424**	**424**
Amortisation		
At 1 August 2025	327	327
Charge for the year	52	52
At 31 March 2026	**379**	**379**
Net book value at 31 March 2026	**45**	**45**
Net book value as at 31 July 2025	97	97

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The intangible asset is funded in full through a capital grant from the Department for the Economy. The asset was amortised from May 2021.

14. TRADE AND OTHER RECEIVABLES FALLING DUE WITHIN ONE YEAR

	31 March 2026 £'000	31 July 2025 £'000
Trade receivables	503	185
Prepayments and accrued income	1,635	1,730
Total debtors	**2,138**	**1,915**

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

	31 March 2026 £'000	31 July 2025 £'000
DfE income	334	164

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2026 £'000	31 July 2025 £'000
Trade payables	3,623	868
Taxation and social security	36	18
Deferred income and payments received in advance	3,130	2,440
Accruals	6,580	2,855
Total	**13,369**	**6,181**

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

	31 March 2026 £'000	31 July 2025 £'000
DfE grant income	99	46
Capital grant income	2,051	2,220
Other grant income	980	174
Total	**3,130**	**2,440**

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

	31 March 2026 £'000	31 July 2025 £'000
Capital grant income	35,438	34,878
Total	**35,438**	**34,878**

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions £'000	Other £'000	Total £'000
At 1 August 2025	5	152	157
Income/(Expenditure) in the period	(298)	-	(298)
Transferred to Statement of Comprehensive Income and Expenditure	(3,917)	-	(3,917)
Irrecoverable surplus on pension scheme	4,212	-	4,212
At 31 March 2026	**2**	**152**	**154**

	Pensions £'000	Other £'000	Total £'000
At 1 August 2024	5	143	148
Income/(Expenditure) in the period	(5)	9	4
Transferred to Statement of Comprehensive Income and Expenditure	(8,072)	-	(8,072)
Irrecoverable surplus on pension scheme	8,077	-	8,077
At 31 July 2025	**5**	**152**	**157**

The funded benefits pension scheme (NILGOSC) has an asset ceiling valuation of £Nil. Therefore, the irrecoverable surplus for 2026 was £4,212k (2025: £8,077k). These amounts are reflected in the pension valuation in the financial statements. The funded/ irrecoverable surplus of the pension scheme at March 2026 is £21,074k.

The provision of £152k relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment to the Supreme Court. In 2021, the case was paused to facilitate mediation, however, in March 2022 the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The Supreme Court heard the case on 14 and 15 December 2022. The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the Court of Appeal.

The £152k provision has been estimated by the College and covers the period from 1998 to 31 July 2020 following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20). The increase from prior year reflects the update to the employer contribution rate for Northern Ireland Teachers' Pension Scheme (increase from 25.1% to 29.1%).

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

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

17. PROVISION FOR LIABILITIES AND CHARGES (continued)

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

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

There were no contingent liabilities at the year end.

18. CASH AND CASH EQUIVALENTS

	At 1 August 2025 £'000	Cash flows £'000	At 31 March 2026 £'000
Cash and cash equivalents	5,310	(2,012)	**3,298**

19. PENSIONS AND SIMILAR OBLIGATIONS

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

Total pension cost for the year

		8 Month Period to 31 March 2026 £'000		12 Month Period to 31 July 2025 £'000
NITPS: contributions paid		3,026		4,280
NILGOSC: contributions paid	1,312		1,906	
NILGOSC: FRS 102 (28) adjustments	(298)		(5)	
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)		1,014		1,901
Total pension cost for year		**4,040**		**6,181**

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

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

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 salary bands applicable to member contribution for the NITPS, based on a member's annual salary rate (actual earnings) from 1 April 2025: -

Salary	
Up to £34,872.99	7.40%
£34,873 to £46,943.99	8.87%
£46,944 to £55,660.99	9.90%
£55,661 to £73,768.99	10.52%
£73,769 to £100,590.99	11.65%
£100,591 and above	12.06%

Table 24

NILGOSC

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

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 March 2026 by a qualified actuary.

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 March 2026 by a qualified actuary.

Principal actuarial assumptions

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

	31 March 2026	31 July 2025
Rate of increase of salaries	4.55%	4.25%
Rate of increase for pensions	3.05%	2.75%
Discount rate for scheme liabilities	6.15%	5.75%
Inflation assumption (CPI)	3.05%	2.75%

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

	31 March 2026	31 July 2025
Retiring today		
Males	21.2	21.1
Females	24.6	23.9
Retiring in 20 years		
Males	21.5/21.5	21.6/21.9
Females	25.0/25.0	24.6/24.9

The College's share of the assets in the scheme were:	31 March 2026 £'000	31 July 2025 £'000
Equities	31,420	28,143
Bonds	18,630	15,848
Property	7,105	6,809
Cash	6,171	8,038
Multi Asset Credit	9,624	9,047
Fair value of assets	**72,950**	**67,885**

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the Statement of Financial Position

	31 March 2026	31 July 2025
Funded Benefits	**£'000**	**£'000**
Scheme assets	72,950	67,885
Scheme liabilities	(51,876)	(51,655)
Present value of funded defined benefit obligation	**21,074**	**16,230**
Irrecoverable surplus	**(21,074)**	**(16,230)**
Funded Scheme – Net assets / (liabilities)	**-**	**-**
Unfunded Benefits		
Present value of unfunded benefits	**(2)**	**(5)**
Net liability	**(2)**	**(5)**

Analysis of amounts charged to staff costs

	8 Month Period to 31 March 2026	12 Month Period to 31 July 2025
	£'000	**£'000**
Employer service cost (net of employee contributions)	1,024	1,899
Total operating charge	**1,024**	**1,899**

Analysis of pension finance costs

	8 Month Period to 31 March 2026	12 Month Period to 31 July 2025
	£'000	**£'000**
Expected return on pension scheme assets	2,621	3,164
Interest cost	(1,993)	(2,775)
Interest adjustment due to irrecoverable surplus	(628)	(389)
Net credit/charge to interest receivable/(payable)	**-**	**-**

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of other comprehensive income/(expenditure) for pensions

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Actuarial gains from assets	1,445	615
Actuarial gains/(losses) from a change in financial assumptions	720	7,437
Actuarial gains from a change in demographic assumptions	(136)	20
Actuarial (losses)/gains from experience	1,885	-
Actuarial losses from recoverable surplus	(4,212)	(8,077)
Total of other comprehensive expenditure	**(298)**	**(5)**

Movement during the year

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Deficit in scheme at 1 August	(5)	(5)
Employer service cost (net of employee contributions)	(1,024)	(1,895)
Employer contributions	1,322	1,903
Past service cost	-	(3)
Net interest on assets	-	-
From changes in financial assumptions	-	-
Actuarial gains recognised in other comprehensive income	3,917	8,072
Irrecoverable surplus	(4,212)	(8,077)
Deficit in scheme at 31 March (comparative 31 July)	**(2)**	**(5)**

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of liabilities

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Liabilities at start of period	**51,655**	**54,689**
Service cost	1,024	1,899
Interest cost	1,993	2,775
Employee contributions	436	617
Actuarial loss/(gain)	-	-
Benefits paid	(759)	(868)
Past service cost	-	-
From change in financial assumptions	(720)	(7,437)
From change in demographic assumptions	136	(20)
From change in experience adjustment	(1,887)	-
Liabilities at end of period	**51,878**	**51,655**

Reconciliation of assets

	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
Assets at start of period	**67,885**	**62,453**
Expected return on assets	2,621	3,164
Actuarial gain/(loss)	1,445	615
Employer contributions	1,321	1,903
Employee contributions	436	618
Benefits paid	(758)	(868)
Assets at end of period	**72,950**	**67,885**

The estimated value of employer contributions for the year ended 31 March 2027 is £1,659k.

20. CAPITAL COMMITMENTS

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

	31 March 2026 £'000	31 July 2025 £'000
Commitments contracted for at 31 March (Comparatives 31 July)	17,899	749
Authorised but not contracted at 31 March (Comparatives 31 July)	-	-
Total	**17,899**	**749**

21. FINANCIAL COMMITMENTS

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

Other	31 March 2026 £'000	31 July 2025 £'000
Expiring within 12 months	46	25
Expiring within two and five years inclusive	73	-
Total	**119**	**25**

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

Income	31 March 2026 £'000	31 July 2025 £'000
Expiring within two and five years inclusive	5	8
Total	**5**	**8**

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

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

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

Governor / Senior Manager of Southern Regional College	Related Organisation	Transactions for 8 months to 31 March 2026 £'000	Transactions for 12 months to 31 July 2025 £'000	Amount outstanding at 31 March 2026 £'000	Amount outstanding at 31 July 2025 £'000
T Rice**	Newry Chamber of Commerce and Trade	12	19	-	-
T Rice**	Newry, Mourne and Down District Council	4	20	-	-
M Turner** S Rogan**	Pearson UK	239	254	3	-
S Rogan** M Turner**	CCEA	34	32	-	-
G McMurray* T Rice**	Armagh City, Banbridge and Craigavon Borough Council	1	4	-	-
L Shackels**	The Open University	254	137	-	-
N Harkness*	Strategic Investment Board (SIB)	49	61	-	-
T Moore*	Department of Justice	15	25	-	-
S Harper*	Queen's University Belfast	1	2	-	-
M Kelly*	Ulster University	-	160	-	-
A Whiteside*	Stranmillis University College	42	30	-	-

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

Table 25

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

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

	Related Organisation	Transactions for 8 months to 31 March 2026 £'000	Transactions for 12 months to 31 July 2025 £'000	Amount outstanding at 31 March 2026 £'000	Amount outstanding at 31 July 2025 £'000
G McMurray* T Rice**	Armagh City, Banbridge and Craigavon Borough Council	9	9	-	2
T Rice**	Newry, Mourne and Down District Council	6	54	28	(3)
S O'Hare*	Newbridge Integrated College	37	22	-	-
M Kelly*	Ulster University	71	111	-	-
A Whiteside*	Stranmillis University College	-	48	-	-

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

Table 26

23. AGENCY ARRANGEMENTS

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

	31 March 2026 £'000	31 July 2025 £'000
DfE Student Hardship Grant	152	154
Disbursed to students	(50)	(106)
Balance unspent at 31 March	**102**	**48**

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

	31 March 2026 £'000	31 July 2025 £'000
DfE Care to Learn Grant	2	5
Disbursed to students' childcare providers	(2)	(5)
Balance at 31 March	-	-

23. AGENCY ARRANGEMENTS (continued)

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

	31 March 2026 £'000	31 July 2025 £'000
DLUHC delivery partner funding received	509	1,225
Disbursed to partners	(509)	(1,225)
Balance at 31 March	-	-

24. LOSSES AND SPECIAL PAYMENTS

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

Losses Statement

	2026	2025
Bad debts written off		
Total number of losses	25 losses	33 losses
Total value of losses (£000)	12	3

Special Payments

	2026	2025
Total number of special payments	-	1 payment
Total value of losses (£000)	-	5

25. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	Notes	8 Month Period to 31 March 2026 £'000	12 Month Period to 31 July 2025 £'000
INCOME			
DfE income (non-grant-in-aid items)	1	3,624	3,772
Education contracts	2	3,522	5,129
Tuition fees and charges	3	1,248	1,938
Other grant income	4	363	257
Other operating income	5	1,245	1,708
Investment income	6	150	243
Total incoming resources		**10,152**	**13,047**
EXPENDITURE			
Staff costs	7	(26,222)	(34,022)
Exceptional item – Voluntary Exit Scheme	7	-	(3)
Exceptional item – provision for annual leave on overtime	7	-	(8)
Other operating expenses	9	(16,229)	(15,398)
Depreciation and impairment	12	(3,027)	(4,885)
Interest and other finance costs	10	-	-
Total resources expended		**(45,478)**	**(54,316)**
Deficit before tax		**(35,326)**	**(41,269)**
Taxation	11	-	-
Deficit for the year		**(35,326)**	**(41,269)**
Unrealised surplus on revaluation of land and buildings		2,058	3,795
Actuarial gain in respect of pension scheme		3,917	8,072
Irrecoverable surplus		(4,212)	(8,077)
Amount transferred to reserves		**(33,563)**	**(37,479)**

Analysis of reserves prepared under FReM	2026 £'000	2025 £'000
Balance at 1 August	83,164	81,970
Grant-in-aid received in year excluding exceptional item	24,909	38,673
Grant-in-aid received in year exceptional item	-	-
Amount transferred to reserves	(33,563)	(37,479)
Balance at 31 March	**74,510**	**83,164**

26. EVENTS AFTER THE REPORTING PERIOD DATE

There have been no events after the reporting date.

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 3 November 2026.