

The background of the cover is a photograph of a modern, multi-story building with a curved facade and large windows. A large, stylized, light blue curved graphic with a dotted pattern overlays the image, starting from the top left and curving around the building. The text is positioned on the dark blue background at the bottom left.

Annual Report & Accounts

For the year ending 31 July 2025

src Southern
Regional
College

Southern Regional College
Annual Report and Accounts
for the year ended 31 July 2025

The Accounting Officer authorised these financial
statements for issue on 28 November 2025

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 9 December 2025

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025**

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NATURE, OBJECTIVES AND STRATEGIES

The members of the Governing Body present their report and the audited financial statements for the year ended 31 July 2025.

LEGAL STATUS

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

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

PURPOSE AND STRATEGIC CONTEXT

The Further Education sector has a dual mandate to promote economic growth and social inclusion and is the main provider of professional and technical education and training in Northern Ireland. The College is well placed to provide learners, employers and the local community with a wide range of education and training opportunities and to realise its aim in establishing a reputation for outstanding quality in teaching, training and business support, not just within Northern Ireland (NI) 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 (NI) as the NI skills barometer highlights that delivering on Northern Ireland's economic potential will require a significant uplift in the number of people undertaking professional and technical qualifications.

OUR VISION, MISSION AND VALUES

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

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

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



Figure 1

STRATEGIC AIMS

The Governing Body has overarching responsibility for setting the strategic direction of the College. The annual College Development Plan 2024-25 sets out the College's purpose, values and vision and embodies our commitment to working effectively together in providing skills solutions that meet current and emerging economic demand.

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

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

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

IMPLEMENTATION OF THE DEVELOPMENT PLAN

The College's action plan for 2024-25 sets out 22 strategic objectives underpinned by a series of actions and targets to successfully deliver on the following seven strategic aims:



Figure 2

The following section provides a summary of progress against each strategic aim and underpinning objectives for the period 1 August 2024 – 31 July 2025.

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

Support economic growth and innovation through flexible business support solutions	To stimulate business innovation and productivity through a range of business support services.	Achieved
	To improve the skills and employability of the local and regional workforce.	Achieved
Inspired people and Organisation Development	To maintain and promote an environment that will foster equality, respect for diversity and difference and employee wellbeing.	Achieved
	To promote staff well-being.	Achieved
	To commit to the continued professional development of staff to ensure their skills and qualifications support the delivery of a high-quality curriculum and support service.	Achieved
Effective Governance and Financial Management	To maintain and enhance financial management arrangements to ensure best use of financial resources.	Achieved
	To ensure that an effective system of risk management, governance and financial control operates at all levels within the College.	Achieved
	To ensure continued compliance with college policies, procedures and statutory requirements.	Achieved
Provision of a safe and stimulating environment	To provide a modern fit-for-purpose estate.	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
Increased international links	To provide international exchange opportunities for College staff and students.	Achieved
Creating a sustainable inspired College	To develop and support a sustainable workforce.	Achieved
	To embed the UN Sustainable Development Goals in all aspects of College life and to provide students with the knowledge, skills and attitudes to promote sustainable development.	Achieved
	To embed sustainable practice in all aspects of College operations.	Achieved

COLLEGE DEVELOPMENT PLAN 2024-25

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

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

PERFORMANCE INDICATORS AND REVIEW OF PERFORMANCE 2024-25

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	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	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 of the region.		The College achieved 96% of the target of 11,727 individuals enrolled at the College (including Essential Skills of 418).
Reduce Carbon Emissions	<ol style="list-style-type: none"> 1. 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. 2. To deliver against the Public Body reporting duties of the Climate Change legislation delivering an energy efficient and sustainable estate. 		The College achieved implementation of the key actions identified for 2024-25.

Table 1

CURRICULUM DEVELOPMENT

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

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

The College aims to address three important areas through its curriculum offering and business support activities:

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

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 more recently the four priorities of Economy Minister's Economic Vision:

- Good Jobs
- Regional Balance
- Increased Productivity
- 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 2024-25 Southern Regional College successfully engaged with the Education and Training Inspectorate (ETI) in three high profile scrutiny evaluations:

- Step-Up Project (October 2024). This project, funded by New Deal for Northern Ireland, was developed to support individuals who are economically inactive or face significant barriers to education, skills training and employment.
- Evaluation of the NI Traineeship programme (January 2025). This evaluation took place across the six Further Education Colleges between October 2024 and January 2025. The Traineeship programme aims to equip learners with broad-based professional and technical skills and knowledge through a new level 2 vocational education and training programme.
- Skills Insight one day visit to assess Carpentry and Joinery provision.

The College continues to engage with the Quality Improvement Branch of DfE 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	128	
Tailored Training	408	417	
Upskill (Via Skill Up)	475	358	

Table 2

In 2024-25 the College delivered a range of innovation initiatives including Innovate Us, Innovation Vouchers, Innovation Boost, Knowledge Transfer Projects, Skills Focus, Productivity Booster, Skill Up, Assured Skills Academies, Labour Market Partnership projects and themed workshops to 547 local companies totalling over £2m. The College engaged with a further 220 employers to support Higher Level Apprenticeships, which has seen consistent growth since 2014.

¹ CDP Progress Education Report Card extract as at 26 September 2025

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







ACTIVITY - INDIVIDUALS	TARGET	ACTUAL	STATUS
Further Education (FT & PT) (Excluding ES)	7,924	7,352	
Higher Education (FT & PT) (Including HLA)	1,587	1,517	
Work Based Learning/Traineeships/APPsNI (FT & PT)	1,896	1,961	
Essential Skills	320	418	
Total Individuals	11,727	11,248	
Total Enrolments	18,861	20,114	

Table 3

REPORT CARD 3 – REDUCE CARBON EMISSIONS




ACTIVITY	TARGET	ACTUAL	STATUS
Staff Training*	3	0	
Deliver Training in Green Skills and Sustainability	711	809	
Deliver Effective Efficient and Sustainable Estate	Improve Energy Efficiency		

Table 4

*Staff training was not completed in due to action short of strike, the staff will participate in the training at the next event.

WHO IS BETTER OFF?

ENROLMENT PROFILE

The College plays a significant role in addressing the education needs of those living in areas of greatest deprivation. This is illustrated by the fact that 48.8% of the College's total enrolment is from students within population quintiles 1 and 2², Figure 3.

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.

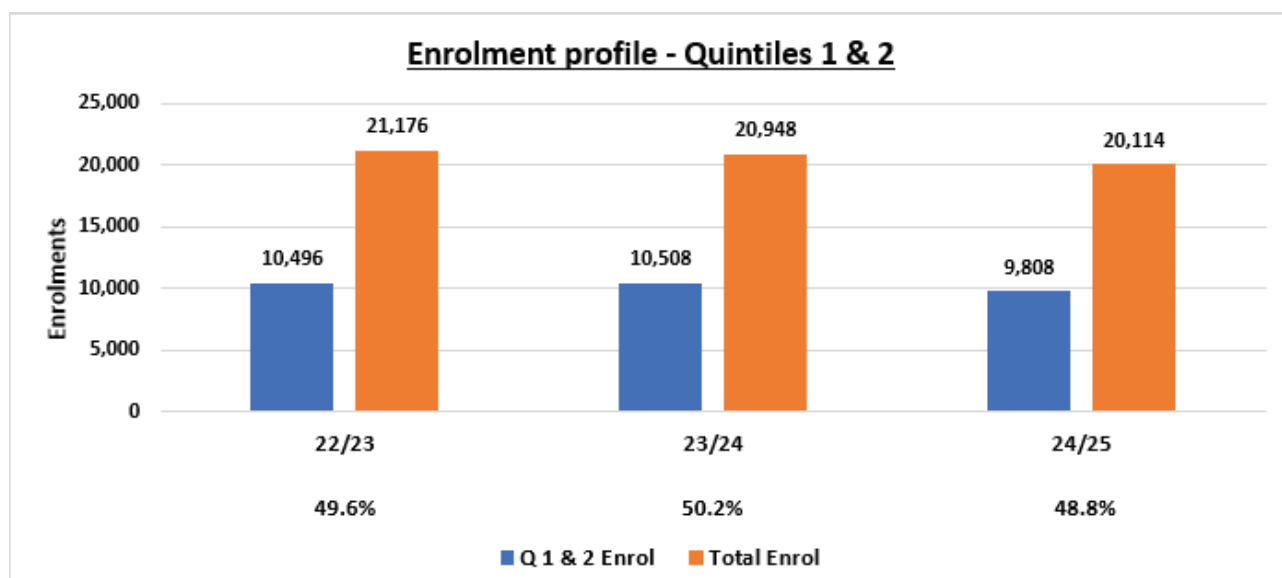


Figure 3

COMMUNITY ENGAGEMENT

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

In addition, the College successfully delivered five projects that targeted those who are economically inactive and face social exclusion to residents living within the five NRAs enrolling 285 people, resulting in 243 achieving qualifications and 45 gaining employment to date. Prioritising provision in areas of significant deprivation will remain a key focus for the College in the coming years to provide education and training opportunities in these areas as part of the wider community planning process.

The College continued to support those furthest removed 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 over the last two years, the programme has exceeded targets by supporting over 1,700 individuals, with over 1,000 gaining accredited qualifications and 773 people into employment. The Step-Up programme supported over 300 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 2024-25, the College maintained excellent levels of engagement with 24 schools across the four Area Learning Communities within the region, achieving enrolments of 2,794 students.

STUDENT OUTCOMES

The number of learners achieving qualifications for academic year 2024-25 is shown in table 5 below.

Student Achievement	Achievement		Achievement	
	2024-25	%	2023-24	%
Further Education				
Full Time	871	87%	1,031	83%
Part Time	6,347	86%	6,656	82%
Higher Education				
Full Time	121	97%	142	96%
Part Time	672	90%	590	85%
Work Based Learning TR/Apps NI	1,757	91%	1,317	87%
Essential Skills	1,356	70%	1,169	70%

Table 5

STUDENT PROGRESSION

During the first term of the 2024-25 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 2024. Findings indicated a range of leaver destinations, including progression into employment or additional learning as detailed in table 6 below:

Tracked Destination	Number	%
Total Number of College Students Tracked	2,444	100%
Total Number of College Students Responses	2,406	98.5%
Progressed to HE externally	350	14.5%
Progressed to HE internally	217	9.0%
Progressed to FE internally	384	16.0%
Progressed to FE externally	11	0.5%
Progressed to other College Courses	146	6.1%
Entered Employment	1,094	45.5%
Seeking Employment	44	1.8%
Gap Year	102	4.2%
Repeating Year	48	2.0%
Other Training	8	0.3%
Retired	2	0.1%

Table 6

WIDENING PARTICIPATION

As part of the College's DfE, Higher Education (HE) Widening Access Participation Plan (WAPP) 2024-25, bursaries were awarded to 49 Higher Education students amounting to £13,730 support.

JAMES KANE FOUNDATION

The James Kane Foundation Board has approved ongoing support for students at Southern Regional College (SRC) from the Armagh, Banbridge, and Craigavon area over a four-year period, covering the academic years 2023 to 2027. This generous contribution is aimed at helping Higher Education (HE) students remain in education by providing essential financial assistance.

During the 2024-25 academic year, five students were successfully awarded scholarships. Each student received £2,160 in funding, which was used to cover tuition fees as well as other course-related expenses, including equipment, materials, and travel.

This support has proven to be invaluable, significantly easing financial pressures and enabling the students to fully focus on their studies.

OTHER DEVELOPMENTS

- Events planned in partnership with industry, schools and the community included the Annual ICAS Conference, Southern Nights Events - Literature, Early Years Conference "Sustain Rection" and Early Years Employers Annual Fair.
- A Golf Simulator was introduced to the sports curriculum at the Newry Campus as part of the Performance Analysis modules to support pedagogic activity.
- The first SRC Sustainability Resources Centre was launched in September 2025 in collaboration with Bryson to support the delivery of knowledge transfer to local businesses in the Lurgan area around childcare resources.
- Music and Performing Arts students took centre stage for two nights of performance in the Marketplace Theatre for their 2025 Showcase, 'Respect'. This event celebrated the level of talent nurtured within the College over the past year.
- Ten students from A-Level Government and Politics attended Stormont in September 2024 to engage in healthy debate with 11 schools from across Northern Ireland on the subject of 'Who is to blame for the slow progress in the peace process?'.
- The SRC Student Union partnered with Victim Support NI to deliver their 'We Stand Together' hate crime awareness training to students across all our campuses in 2024. This initiative reflects our commitment to fostering a safe, inclusive, and supportive environment for all.
- The College's Music Department hosted a charity recording session open to College staff, students and the wider community. This impromptu chorus choir resulted in a recorded track and video of the Oasis song 'She's Electric'. The single was made available to purchase with all funds being channelled to Aspire NI, a charity that works with children and young people in Northern Ireland to support educational attainment where there is low family income or poverty.
- Returning for a second year, the Level 3 Performing Arts and Level 5 Creative Music and Audio Production students, toured local schools with the self-written performance 'Click'. Aimed at ten and eleven year olds, 'Click' was developed in collaboration with the Policing and Community Safety Partnership (PCSP) and Police Service of Northern Ireland (PSNI). It highlights the dangers

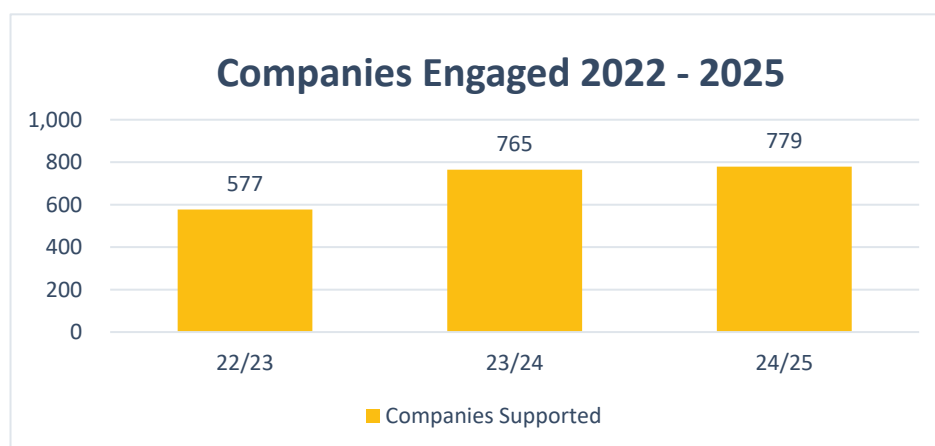
lurking online for children and young people as well as measures to protect oneself from unwanted attention.

- In a groundbreaking educational initiative, SRC demonstrated its commitment to next-generation construction technology by collaborating with Louth and Meath Education Training Board (LMETB) to facilitate visits for 94 Higher Level Apprenticeship students and six staff to the cutting-edge LMETB research and training centre in Drogheda. The visits, which took place in January 2025, showcased the innovative COBOD 3D concrete printer, developed through a partnership between LMETB and Harcourt Technologies (HTL).
- One of Super Trowel's regional heats took place at Southern Regional College's Greenbank campus in March 2025 - a significant milestone being the first ever regional competition taking place on the island of Ireland.

COMPANIES ENGAGED

During 2024-25 the College successfully engaged 779 companies including 22 cross border companies located in Louth, Kildare, Cork, Limerick, Mayo, Dublin, Leitrim, Offaly, Clare, and Galway seeking to develop new products and processes. The team provided support through research, development and mentoring activities. Projects span across 18 months and the main technical areas of support were:

- Food product development and Manufacturing/Technical scale up; (Fish/Meat/Desserts/Sauces/Ice-Cream companies)
- Product design and prototyping;
- Sustainability (Development of more Sustainable Products) e.g. Sustainable Hurley Sticks
- Advanced Design for manufacture; (Including the first new to market self-levelling wheelchair lift to access gangways/pontoons at marinas) .
- Develop and streamline IT systems and processes;
- Improved Supply Chain Management;



- Software/Electronic Engineering; and
- Lean Manufacturing and increased productivity.

Figure 4

The College delivered three Assured Skills academies in partnership with 15 businesses, with 36 individuals completing the programmes. The academies were delivered in Welding, Legal

Administration and Fintech Foundation with 24 people moving into employment. The College also secured a new Knowledge Transfer Partnership (KTP) project with a local company in the area of change management for a new product development process. The College also partnered with the two Labour Market Partnerships in the region to deliver two successful skills and employability conferences, highlighting the challenges in the local labour market and how partners can work together to provide suitable solutions.

COLLEGE ACHIEVEMENTS

College Achievements for 2024-25 are listed below:

- Early Years provision successfully received three finalist awards with NCFE Cache aspiration awards in the categories of Centre, Lecturer and Student of the Year; this area also won the Further Education (FE) Sector FE Student of the Year and SRC award for charity work and fundraising
- In September 2024, supported by fully funded places through the Department for the Economy, SRC launched an opportunity for 13 individuals to take part in the first ever Assured Skills Academy in Legal Administration.
- The College's Learning Support Team received the Autism Advanced Award Accreditation by the National Autistic Society, the UK's leading charity for autistic people in October 2024.
- In December 2024, The College was awarded the Team/College Fundraiser of the Year Award at the Good for ME, Good for FE awards ceremony held at the House of Lords. The award was presented to the Student Engagement and Organisational Development Teams for raising a staggering £13,500 for NI Children's Hospice, surpassing the initial target of £10,000.
- Demonstrating the College's commitment to sustainability, in March 2025, 16 managers achieved Carbon Literacy accreditation through the Carbon Literacy Programme. This training has since been rolled out to the entire College Wider Management Team.
- The Employ Me project celebrated the huge success of the programme in March 2025. Having set out to support 1,400 individuals, the programme smashed this target, enrolling and supporting close to 1,700 individuals in the last two years, 123% of the original target.
- SRC's Music Department proudly launched 'Frequency Finder: The SRC Music Dept Podcast' in May 2025, a brand-new platform dedicated to showcasing the voices, talent, and behind-the-scenes insights of Northern Ireland's dynamic music scene.
- The Early Years team at the College hosted their third annual Early Years Conference in May. This year's conference, titled 'Sustain Reaction: Sustainability in Early Years', brought together professionals, educators, and experts to explore the importance of sustainability within the early childhood education sector.
- Employ Me partners, Southern Regional College, Clanrye Group, Women's Aid Armagh Down, and Community Advice Newry, Mourne and Down won big at the 17th edition of the Irish News Workplace and Employment Awards in May 2025 securing the title of 'Team of the Year – Small Business'.

STUDENT ACHIEVEMENTS INCLUDING SKILLS COMPETITIONS

Southern Regional 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; and
- 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 2024–25 SRC students achieved outstanding success across a broad range of competitions, most notably:

- WorldSkills UK National Finals (Manchester, November 2024): SRC students secured 10 medals, including gold in Laboratory Technician, Industry 4.0, and Culinary Arts, placing the College 2nd overall in the UK Medal Table.
- WorldSkills Shanghai 2026 UK Squad: An unprecedented 10 SRC students were selected to join the UK Squad in preparation for the next WorldSkills global competition, representing disciplines such as Laboratory Technician, Culinary Arts, Industry 4.0, Mechatronics, Automotive Refinishing, and Electrical Installation.
- WorldSkills UK National Finals 2025 (Cardiff, November): Eight SRC students have already qualified to compete at this year's UK national finals.
- World Butchers' Challenge (Paris, March 2025): A Butchery student represented the College on the world stage before being named DfE Apprentice of the Year.
- CITB NI SkillBuild Regional Final (2025): SRC competitors won six medals across five disciplines, demonstrating strength across the construction trades.
- WorldSkills International (Lyon, September 2024): A former SRC carpentry student achieved a Medallion for Excellence as part of Team UK.
- SkillBuild UK National Finals (Milton Keynes, November 2024): An SRC bricklaying student earned a bronze medal.
- NI Regional Automotive Competitions (Riverpark, March 2025): SRC secured 1st and 2nd place in Automotive Refinishing and a bronze medal in Automotive Body Repair.
- Nestlé Toque d'Or Final (York, March 2025): A Year 2 Level 3 Apprentice was selected as a finalist in this prestigious hospitality competition.
- Knorr Student Chef of the Year (Athlone, March 2025): Two Year 2 Professional Chef Traineeship students represented the College in this highly regarded culinary event.
- In September 2024, a Level 2 Creative Arts and Digital Technologies student and budding animator was named as one of three finalists for the 'Young Animator of the Year' award.
- In November 2024 a School Partnership student from St Paul's High School, Bessbrook was this year's winner of the local final of the Springboard FutureChef Competition, held at the College's Newry campus in November 2024.

- 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 Media Level 3 Extended Diploma at SRC and progressed to study a BA (Hons) Degree in Film Studies and Production at Queens University Belfast.
- Two students got the experience of a lifetime, undertaking a British Film Institute (BFI) Film Academy at the Armagh AmmA Centre in February 2025.
- Two students were invited to attend a prestigious event at the Royal College of Nursing headquarters in London. This occasion marked the official relaunch of the Royal College of Nursing Prince of Wales Nursing Cadet scheme. Both students had participated in the cadet programme during 2023-24.
- In May 2025, a Professional Chef Traineeship student was shortlisted for the 'Further Education Learner of the Year' award at the Open College Network Northern Ireland Learning Endeavour Awards.
- Three students from SRC topped the leaderboard in the Rotary Generation Chef final. The competition which took place in May 2025 brought together students from Northern Ireland's six Further Education Colleges.
- A higher-level apprentice in engineering was awarded 'Apprentice of the Year' at the Insider Made in Northern Ireland Awards in May 2025.

STAFF ACHIEVEMENTS

- In September 2024, a lecturer was announced as a finalist for the 'Lecturer of the Year' Award in Institute of Hospitality Awards. In May 2025, the lecturer was also shortlisted for an award by the Open College Network Northern Ireland as part of the Learning Endeavour Awards. The lecturer was one of six finalists for the title of 'Inspiring Tutor/Teacher of the Year'.
- Two lecturers finished in the top three of the prestigious 'IT Further Education Educator of the Year Awards', run by the British Computer Society Northern Ireland (BSC NI).
- Also in May, two lecturers were revealed as winners at the NCFE's Aspiration Awards for 'Educator of the Year' and 'Outstanding Achievement Award' respectively.

FUTURE DEVELOPMENTS

The College, in partnership with Clanrye Group, Women's Aid Armagh Down and Community Advice Newry, Mourne and Down secured funding for another year to continue delivery of the successful Employ Me programme. Funded by UK Shared Prosperity, this programme continues to provide training and employability support to those furthest removed from the labour market. Funding has been secured to March 2026.

The College continues to explore the significant funding opportunities available through externally funded sources. In 2024-25, the College secured three PEACE PLUS projects as follows:

SECBA

The SECBA project (South East Cross Border Alliance) has been designed to transform the South East Region, strategically bridging the gap between educational outputs and the industry's evolving needs. The project will directly address regional skills challenges through a strategic cross-border

skills partnership with Dundalk Institute of Technology (DkIT) – Lead partner, Southern Regional College (SRC), Monaghan Institute, Cavan Institute, and WORKPLUS.

SECBA will develop an employer-focussed brand for employers to ensure it meets the needs of local industry. SRC has a target to deliver accredited training to over 1000 individuals by October 2028 and the main business sectors are Bio-Pharma, Software, Business and Sport.

GRASP

The GRASP project (Green Accelerator Skills Programme), led by South West Regional College, will enable 8 Further Education and Training (FET) Institutions in the Irish Central Border Area Network (ICBAN) area, to collaborate with Construction Sector partners to develop a suite of Green Skills qualifications designed to meet increasing demand.

DS3

The DS3 Project aims to increase cross border collaboration and co-operation engaging civil and business communities in the adoption of ICT solutions in community service delivery and economic activity, thereby creating more connected and sustainable communities. SRC is responsible for one of the work package's (Learning) and will design and deliver a range of workshops and mentoring interventions to businesses and communities across the eligible areas across the Irish Central Border Area Network.

ESTATE STRATEGY DEVELOPMENTS

The College continues to progress the implementation and delivery of its Estates Strategy which remains a key strategic priority. During 2024-25, the Estates Project Board and the Capital Projects Steering Group met on a regular basis to provide strategic governance and oversight with considerable progress being made in the delivery of the projects.

The business case for Armagh, Banbridge and Craigavon campuses has successfully delivered the campuses for Armagh and Banbridge. The College continues to explore and appraise the available options for the delivery of a new campus at Craigavon. An addendum to the outline business case for the Newry Innovation Centre was approved by the Department in July 2024 with a funding allocation received September 2024. Following the procurement process during 2025 for the Integrated Supply Team, the College hope to appoint formally in September 2025.

FINANCIAL OBJECTIVES

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

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

- achieving a balanced budget and operating within the resource budget set by the Department for the Economy;
- secure and protect the College budget by maintaining a relevant and meaningful Curriculum;

- maximise College funding and income generation opportunities by supporting local economic development;
- secure appropriate Capital funding to provide a modern fit for purpose estate; and
- comply with the government's targets for prompt payment of undisputed supplier invoices.

PERFORMANCE INDICATORS

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

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

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

FINANCIAL RESULTS AND POSITION

FINANCIAL RESULTS

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

The financial position for the year ended 31 July 2025 showed an operating deficit for the year of £2.60m compared to the deficit for 2023-24 of £1.67m.

Overall income increased on the previous year by £0.91m with expenditure in 2024-25 increasing by £2.01m. The College did not have a Voluntary Exit Scheme in 2024-25.

The College has significant reliance on the Department for the Economy (DfE) as its principal funding source, largely from recurrent grants. In 2024-25, 70.8% of the College's total income came through allocated recurrent grant (2023-24; 72.5%). This represented 14.8% of the total recurrent grant available to the sector (2023-24; 15.2%).

At 31 July 2022, Land and Property Services (LPS) undertook a full inspection valuation on the College's Land and Buildings, the valuations were subsequently updated twice a year at March and July in line with indices provided by LPS. The total net book value of freehold Land and Buildings, excluding assets under construction as of 31 July 2025 was £109.66m (July 2024; £109.74m), with assets under construction totalling £3.75m. At July 2025, Land and Property Services (LPS) undertook a year three interim asset valuation exercise. The valuation increased the building valuations by £1.42m.

The actuarial valuation of the College assets and liabilities within the NILGOSC pension scheme, as at 31 July 2025, resulted in a cumulative surplus of £16.24m (cumulative surplus b/fwd 2023-24 £7.77m; 2022-23 surplus £4.72m, 2023-24 surplus £3.05m). The credit to the statement of comprehensive income and expenditure totalled £5k. The actuarial gain for the year was £8.47m (2024, £3.05m). However, due to the application of the asset ceiling, the valuation is adjusted to remove the irrecoverable surplus of £8.08m in the year (2024; £2.80m).

The actuarial gain was mainly driven by:

- a gain on asset returns of £0.62m;
- a gain on liabilities of £7.44m;
- a change in the demographic assumptions resulting in a gain of £0.02m;
- a gain from the interest on the recoverable surplus of £0.39m.

The pension fund is presented on the Statement of Financial Position as a liability due to the unfunded defined benefit obligation.

The College has total net assets of £83.16m at 31 July 2025 (£81.97m at July 2024).

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 College³, the College should not have surplus funds. At Statement of Financial Position date, the College does not have surplus funds available for investment.

CASH FLOWS AND LIQUIDITY

Cash inflow was £1.88m (2023-24; £0.51m 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 2024 to 31 July 2025, the College paid 98% (98%, 2023-24) 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 2024 to 31 July 2025, the College paid 80% (79%, 2023-24) 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 2024-25, the College continued to embed Cloud-based Risk Management

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.

software to further enhance the system of internal control, providing a complete picture of the College's risk, controls, and assurance environment in real time.

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

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

Below is a summary of the risks on the Corporate Risk Register during the 2024-25 academic year:

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

Table 7

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 2024-25.

DISABILITY STATEMENT

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

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

DISCLOSURE OF INFORMATION TO AUDITORS

These accounts are subject to statutory audit by the Comptroller and Auditor General for Northern Ireland.

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

PERSONAL DATA RELATED INCIDENTS

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.

CHARITABLE AND TAXATION STATUS

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

CHARITABLE/POLITICAL DONATIONS

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

AUDITORS AND PROFESSIONAL ADVISERS	
External Auditors	Northern Ireland Audit Office, 106 University Street, Belfast, BT7 1EU
Internal Auditors	RSM Northern Ireland (UK) Limited, Number One, Lanyon Quay, Belfast, BT1 3LG (from 1 August 2020 to 31 July 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 8

MEMBERS

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

Name	Date of Appointment	Term of Office	Status of Appointment	Committees Served
Lee Campbell	05/02/2024	Present	Principal and Chief Executive	EC, F&GP, SC
Thomas Moore Chair of GB from 01/08/22	13/01/2022	31/07/2026	GB Chair	EC, SC
Hilary Singleton	13/01/2022	12/01/2026	GB Vice Chair	ARC (Chair), EC
Stuart Harper	29/09/2022	28/09/2026	Member	EC (Chair)
Tracy Strachan	01/08/2021	31/07/2025	Member	F&GP (Chair)
Gary McMurray	13/01/2022	12/01/2026	Member	SC (Chair), F&GP
Nick Harkness	03/10/2022	02/10/2026	Member	F&GP
Laura Milner	13/01/2022	12/01/2026	Member	EC, SC
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
James Hutchinson	01/10/2024	31/03/2025	Student Representative	EC
Evie Martin	10/10/2023	30/09/2024	Student Representative	EC

Table 9

SOUTHERN REGIONAL COLLEGE
STRATEGIC REPORT (Continued)
FOR THE YEAR ENDED 31 JULY 2025

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



Accounting Officer

Date: 25 November 2025

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 2024-25 £'000	Benefits in kind 2024-25 £'000	Pension Benefits 2024-25 £'000	Total 2024-25 £'000	Salary 2023-24 £'000	Benefits in kind 2023-24 £'000	Pension Benefits 2023-24 £'000	Total 2023-24 £'000
Thomas Moore Member	20-25	0	0	20-25	20-25	0	0	20-25
Tracy Strachan Member	0-5	0	0	0-5	5-10	0	0	5-10
Hilary Singleton OBE Member	0-5	0	0	0-5	5-10	0	0	5-10
Gary McMurray Member	0-5	0	0	0-5	0-5	0	0	0-5
Laura Milner Member	0-5	0	0	0-5	0-5	0	0	0-5
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

SOUTHERN REGIONAL COLLEGE
 REMUNERATION AND STAFF REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2025

Name	Salary 2024-25	Benefits in kind 2024-25	Pension Benefit 2024-25	Total 2024-25	Salary 2023-24	Benefits in kind 2023-24	Pension Benefit 2023-24	Total 2023-24
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	0	0	0
James Hutchinson Member	0-5	0	0	0-5	0	0	0	0
Gregory O'Hare Member	0	0	0	0	0-5	0	0	0-5
Eileen Stewart Member	0	0	0	0	0-5	0	0	0-5
Kieran Swail Member	0	0	0	0	0-5	0	0	0-5
Evie Martin Member	0	0	0	0	0-5	0	0	0-5

Table 10

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:

	2025	2024
	£'000	£'000
Wages and salaries	24,999	23,687
Social security costs	2,746	2,267
Apprentice Levy	107	108
Pension cost	6,181	5,327
Total	34,033	31,389

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

	2025	2024
	No.	No.
Teaching	334	326
Support	106	111
Administration	187	182
Premises	25	26
Total	652	645

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

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

STAFF COMPOSITION

The number of staff contracts held was 1,085 (Male 320 and Female 765). In 2023-24 the staff contracts held was 1,108 (Male 350 and Female 758).

SICKNESS/ABSENCE DATA

The sickness/absence was recorded at 4.22% or 9.52 days per employee for 2024-25 (2023-24 was 3.68% or 7.08 days).

STAFF TURNOVER

Staff turnover (excluding Part Time Lecturers) for the year was 4.59% (2023-24 was 8.21%).

OFF PAYROLL ENGAGEMENTS

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

EQUALITY OF OPPORTUNITY AND EMPLOYMENT OF DISABLED PERSONS

Equality of Opportunity and Employment of Disabled Persons is included on page 23 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 17 of the strategic report.

CONSULTATION/RELATIONSHIP WITH RECOGNISED TRADE UNIONS

During the year the College met with both academic and support staff trade unions, namely NIPSA and UCU. The College 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 year ended 31 July 2025.

LECTURING STAFF PAY AWARD

The rates of salaries for lecturers in Colleges of Further Education from 1 September 2024 were published on 24 July 2025. The following changes were applied:

- 5.5% increase in salary rates from 1 September 2024; and
- 3.0% increase in salary rates from 1 September 2025.

The balance due to lecturing staff was accrued in staff costs for the year ended 31 July 2025 and was paid up to date in August 2025.

SUPPORT STAFF PAY AWARD

The National Joint Council (NJC) have agreed the pay award for support staff effective 1 April 2025, the business case seeking approval has been submitted to DfE.

The balance due to support staff has been accrued in staff costs for the year ended 31 July 2025.

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 2024-25	Benefits in kind 2024-25	Pension Benefits 2024-25	Total 2024-25	Salary 2023-24	Benefits in kind 2023-24	Pension Benefits 2023-24	Total 2023-24
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Lee Campbell⁴ Principal & Chief Executive/ Director	135-140 0	0 0	30-35 0	165-175 0	55-60 * 45-50**	0 0	30-35	135-140
Raymond Sloan⁵ Principal & Chief Executive/ Director	0 105-110	0 0	0 0	0 105-110	50-55 * 55-60**	0 0	0 0	50-55 55-60
Libby Shackels Director	100-105	0	85-90	185-195	85-90	0	165-170	250-260
Joanne McGuigan Director ⁶	95-100	0	45-50	140-150	35-40**	0	30-35	65-70
Ann Marie Hughes⁷ Director	n/a	n/a	n/a	n/a	30-35**	0	0	30-35
Brian Doran Principal & Chief Executive ⁸	n/a	n/a	n/a	n/a	20-25 *	0	0	20-25

Table 11

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

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

⁶ Interim Director of Finance and Planning from 26/02/24

⁷ Interim Director of Client Services 01/09/23 – 04/02/24

* 115 – 120 full year equivalent

** 85 - 90 full year equivalent

⁸ Retired 31/08/23

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 2024-25 was £130-135k (2023-24: £115-120k). To ensure no impact on comparability, this banded figure does not include the payment for annual leave upon retirement.

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

	2024-25	2023-24
	£'000	£'000
Band of highest paid directors' total remuneration	130-135	115-120
25th percentile	25,190	23,893
Ratio*	5.2	5.0
Median total remuneration	31,591	34,088
Ratio*	4.1	3.5
75th percentile	39,512	39,495
Ratio*	3.3	3.0

Table 12

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

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

Remuneration ranged from £20k-£25k to £130k-£135k (24-25: £20k-£25k to £115k-£120k).

FAIR PAY DISCLOSURE – PERCENTAGE CHANGE IN REMUNERATION

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

The percentage changes 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	2024-25 compared to 2023-24
Average employee salary and allowances	7.21%
Highest paid director's salary and allowances	10.17%

Table 13

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 31/07/25 and related lump sum	Real increase/(decrease) in pension and related lump sum at pension age	Value of CETV at 31/07/25	Value of CETV at 31/07/24	Real increase in CETV during year
	£'000	£'000	£'000	£'000	£'000
Lee Campbell Principal & Chief Executive	5-10 plus lump sum of 0	0	101	67	34
Raymond Sloan Director	0	0	0	0	0
Libby Shackels Director	35-40 plus lump sum of 100	10-15	976	862	114
Joanne Mc Guigan Director	20-25 plus lump sum of 0	0	383	314	55

Table 14

PENSION ARRANGEMENTS

Northern Ireland Teachers' Pension Scheme

Pension benefits may be provided through the Northern Ireland Teachers' 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 a 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.

SOUTHERN REGIONAL COLLEGE
 REMUNERATION AND STAFF REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2025

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 now 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, they will receive an Immediate Choice as soon as practicable after 1 October 2023, and no later than 18 months following this date.

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 \(education-ni.gov.uk\)](https://education-ni.gov.uk/retrospective-remedy-consultation).

Employee contribution rates for all members for the period covering 1 August 2024 to 31 July 2025 are as follows:

Actual annual pensionable earnings From 1 April 2024	Member Contribution Rate From 1 April 2024	Actual annual pensionable earnings From 1 April 2025	Member Contribution Rate From 1 April 2025
Up to £34,289.99	7.40%	Up to £34,872.99	7.40%
£34,290 to £46,158.99	8.60%	£34,873.00 to £46,943.99	8.87%
£46,159 to £54,729.99	9.60%	£46,944.00 to £55,660.99	9.90%
£54,730 to £72,534.99	10.20%	£55,661.00 to £73,768.99	10.52%
£72,535 to £98,918.99	11.30%	£73,769.00 to £100,590.99	11.65%
£98,919 and above	11.70%	£100,591 and above	12.06%

Table 15

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 built up at the rate of 1/80th (pension) and 3/80ths (tax free lump sum) of pensionable pay for each year of membership up to 31 March 2009. 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 August 2024 to 31 July 2025 are as follows:

SOUTHERN REGIONAL COLLEGE
 REMUNERATION AND STAFF REPORT (Continued)
 FOR THE YEAR ENDED 31 JULY 2025

Pensionable Pay From 1 April 2024	Pensionable Pay From 1 April 2025	Member Contribution Rate
£0 to £18,000	£0 to £18,300	5.5%
£18,001 to £27,700	£18,301 to £28,100	5.8%
£27,701 to £46,300	£28,101 to £47,000	6.5%
£46,301 to £56,300	£47,001 to £57,200	6.8%
£56,301 to £111,700	£57,201 to £113,500	8.5%
More than £111,700	More than £113,500	10.5%

Table 16

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 FY2022. 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.

CASH EQUIVALENT TRANSFER VALUES

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETV's are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance tax which may be due when pension benefits are taken.

REAL INCREASE IN CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuations factors for the start and end of the period.

ENHANCED PENSIONS

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

SOUTHERN REGIONAL COLLEGE
ASSEMBLY ACCOUNTABILITY DISCLOSURE NOTE
FOR THE YEAR ENDED 31 JULY 2025

All elements of this report are subject to audit.

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

LOSSES

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

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

Losses are disclosed in Note 24.

SPECIAL PAYMENTS

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

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

Special payments are disclosed in Note 24.

REMOTE CONTINGENT LIABILITIES

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

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

There are no remote contingent liabilities that require disclosure at 31 July 2025.

STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND GOVERNING BODY

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

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

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

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

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

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

The Accounting Officer of DfE has designated the Principal 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 DoF.

SOUTHERN REGIONAL COLLEGE
STATEMENT OF RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2025

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 25 November 2025 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'L Campbell', written in a cursive style.

Mrs L Campbell
Accounting Officer

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

INTRODUCTION

This Statement of Corporate Governance and Internal Control sets out the governance structures, risk management system and the internal control procedures that operated within the Southern Regional College during the financial year ended 31 July 2025 and up to the date of approval of the Annual Report and Accounts.

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

GOVERNANCE FRAMEWORK

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

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

CORPORATE GOVERNANCE AND REGISTER OF INTERESTS

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

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

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

GOVERNING BODY

The College's Governing Body comprises members appointed by the Minister for the Economy, staff and students of the College, the 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 eight occasions during the 2024-25 year and is supported by a number of committees, including the Staffing Committee, Finance and General Purposes Committee, Education Committee and the Audit and Risk Committee. All these committees are formally constituted with terms of reference and comprise mainly members of the Governing Body.

Minutes of Governing Body meetings are available from the secretary of the Governing Body or on the College website. The secretary to the Governing Body maintains a register of financial and personal interests for the Governing Body members and this is also available for inspection. The business of the Governing Body is formally planned, and agendas, papers and reports are supplied to members in a timely manner. Members receive payment in line with guidance from the DfE 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 2024-25 year is shown in the table below. In total, there were 24 meetings of the Governing Body and its sub committees during 2024-25. Average Member attendance recorded at Governing Body meetings during 2024-25, excluding staff and student representatives, was 90.34% (92.92% for 2023-24).

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 five times during the 2024-25 year to discuss reports from the External and Internal Auditors and the relevant responses. The College's Internal Auditors and External Auditors were represented at all Audit and Risk Committee meetings. The Committee also

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

FINANCE AND GENERAL PURPOSES COMMITTEE

The Finance and General Purposes Committee has oversight of all matters relating to the finance and accounts of the College and the receipt of its income and expenditure. The main business of the Finance and General Purposes Committee is to monitor, determine and advise the Governing Body on the College's solvency, recommend for approval the annual estimate of income and expenditure, and monitor performance in relation to the approved budget. During 2024-25 the Committee also considered updates on the Estates projects, the annual review on the Health and Safety policy and statement, business cases for approval, and a number of policies including the fees policy and the annual schedule of fees. The Committee also considers other matters as the Governing Body may from time-to-time remit to it. The Committee met on four occasions during the 2024-25 year.

STAFFING COMMITTEE

The Staffing Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior management. Over the course of the year, the work of the Committee also included, receiving the annual key performance indicator report, monitoring the delivery of the Employee Development plan, reviewing performance measures, monitoring a new plan for the following year and receiving an update on Investors in People (IIP). The Committee met on three occasions during 2024-25.

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 four occasions during 2024-25.

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
FOR THE YEAR ENDED 31 JULY 2025

	Governing Body	Audit and Risk Committee	Finance and General Purposes Committee	Education Committee	Staffing Committee
No. of meetings held:	8	5	4	4	3
Lee Campbell (Interim Principal & Chief Executive) 05/02/2024 to 03/09/2024 (Principal & Chief Executive) 04/09/2024 to present	7	5	4	4	3
Thomas Moore	8	5	4	4	3
Hilary Singleton OBE	8	4	-	4	-
Stuart Harper	8	-	-	4	-
Tracy Strachan	8	-	4	-	-
Gary McMurray	8	-	4	1	3
Nick Harkness	5	-	4	-	-
Laura Milner	8	-	-	4	3
Angela Whiteside	8	-	-	4	-
Geraldine Campbell	7	5	-	-	-
Monica Kelly	8	-	4	-	-
Patricia McCaffrey	7	5	-	-	3
Sean Fitzsimons	7	-	4	-	-
Andrew Sloan	8	5	-	-	3
Liz Finnigan (Teaching Staff Representative) From 16/11/2023	6	-	-	3	-
Sharon O'Hare (Support Staff Representative) From 16/11/2023	7	5	-	-	-
James Hutchinson (Student Representative) From 01/10/2024 to 30/09/2025	1	-	-	-	-

Table 17

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, six Assistant Directors, four Heads of Faculty and two Heads of Department. The Executive Team and the Senior Management Team meet on a regular basis to discuss, review and progress a range of strategic and operational matters.

The 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

Internal Audit is a key element that contributes to the effectiveness of risk management, control and governance processes within the College. In line with Public Sector Internal Audit Standards (PSIAS) a three-year Internal Audit Strategy is in place and flowing from this the Internal Audit

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL (Continued)
FOR THE YEAR ENDED 31 JULY 2025

Operational Plan for 2024-25 saw the completion of a programme of work that provided satisfactory assurance in four areas. A summary of the internal audit work and the assurance ratings for each is included below:

Internal Audit Operational Plan and Assurance Ratings 2024-25	
Area Reviewed:	Assurance Rating:
Governance Assurance	Satisfactory
Student Placement	Satisfactory
Business Continuity	Satisfactory
Estates Strategy Governance	Satisfactory

Table 18

Follow-up reviews conducted during 2024-25 indicated continued satisfactory progress with implementing outstanding recommendations. There were no priority one recommendations.

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 work 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 2023-24 there was one report of suspected fraud, the investigation was completed in 2024-25 and no actual fraud was determined.

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 2024-25 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 2024-25 financial year.



Accounting Officer

Date: 25 November 2025

Opinion on financial statements

I certify that I have audited the financial statements of Southern Regional College for the year ended 31 July 2025 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 Accountability Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of Southern Regional College's affairs as at 31 July 2025 and of its deficit for the year then ended;
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Southern Regional College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, 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 Southern Regional 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 Southern Regional 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 Southern Regional College is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Other Information

The other information comprises the information included in the annual report other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. 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 my opinion, based on the work undertaken in the course of the audit:

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

- the information given in the Strategic Report and Accountability Report 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 Accountability Report subject to audit are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Reporting Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement of Corporate Governance and Internal Control does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Accounting Officer and Governing Body

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- ensuring the annual report, which includes the Remuneration and Staff Report, is prepared in accordance with the applicable financial reporting framework;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing the Southern Regional College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by Southern Regional College will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Southern Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008;
- making enquires of management and those charged with governance on Southern Regional 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 Southern Regional 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 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;
- 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 expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report

I have no observations to make on these financial statements.



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

28 November 2025

SOUTHERN REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2025

	Notes	2025 £'000	2024 £'000
INCOME			
Department for the Economy income	1	42,445	42,071
Education contracts	2	5,129	4,820
Tuition fees and charges	3	1,938	1,886
Other grant income	4	257	313
Other operating income	5	1,708	1,456
Investment income	6	243	263
Total income		51,720	50,809
EXPENDITURE			
Staff costs	7	(34,022)	(30,891)
Other operating expenses	9	(15,398)	(15,993)
Depreciation, amortisation and impairment	12,13	(4,885)	(5,408)
Interest and other finance costs	10	-	-
Total expenditure		(54,305)	(52,292)
Deficit before exceptional items		(2,585)	(1,483)
Exceptional DfE grant – Voluntary Exit Scheme	1	-	295
Exceptional staff costs - Voluntary Exit Scheme	7	(3)	(496)
Exceptional staff costs - Provision for annual leave on overtime	7	(8)	(2)
Total exceptional items		(11)	(203)
Deficit before other losses		(2,596)	(1,686)
Deficit before tax		(2,596)	(1,686)
Taxation	11	-	-
Deficit for the year		(2,596)	(1,686)
Unrealised surplus on revaluation of land and buildings	12	3,795	2,591
Actuarial gain in respect of pension scheme	19	8,072	2,793
Irrecoverable surplus on pension scheme	19	(8,077)	(2,809)
Total comprehensive income and expenditure for the year		1,194	889
Represented by:			
Unrestricted comprehensive income and expenditure for the year		1,194	889
		1,194	889

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

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

SOUTHERN REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2025

	Income and expenditure account			Revaluation Reserve	Total
	Unrestricted (excluding Pension) £'000	Pension Reserve £'000	Unrestricted (including Pension) £'000		
Balance at 1 August 2023 (Restated)	18,360	(5)	18,355	62,726	81,081
Deficit from Statement of Comprehensive Income and Expenditure	(1,702)	16	(1,686)	-	(1,686)
Other comprehensive income	-	2,793	2,793	2,591	5,384
Irrecoverable surplus on pension scheme	-	(2,809)	(2,809)	-	(2,809)
Transfers between revaluation and income and expenditure account	2,678	-	2,678	(2,678)	-
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)	-
Total comprehensive income for the year	225	-	225	969	1,194
Balance at 31 July 2025	19,561	(5)	19,556	63,608	83,164

SOUTHERN REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2025

	Notes	2025 £'000	2024 £'000
Non-current assets			
Tangible fixed assets	12	117,058	116,338
Intangible fixed assets	13	97	174
Total non-current assets		117,155	116,512
Current assets			
Trade and other receivables	14	1,915	2,319
Cash and cash equivalents	18	5,310	3,433
Total current assets		7,225	5,752
Less: Creditors - amounts falling due within one year	15	(6,181)	(4,719)
Net current assets		1,044	1,033
Total assets less current liabilities		118,199	117,545
Less: Creditors - amounts falling due after more than one year	16	(34,878)	(35,427)
Provisions			
Pensions	17	(5)	(5)
Provisions for liabilities and charges	17	(152)	(143)
Total provisions for liabilities and charges		(157)	(148)
Net assets including pension liability		83,164	81,970
Unrestricted reserves			
Income and expenditure account – unrestricted reserves (excluding pension reserve)		19,561	19,336
Pension reserve		(5)	(5)
Income and expenditure account – unrestricted reserves (including pension reserve)		19,556	19,331
Revaluation reserve		63,608	62,639
Total reserves		83,164	81,970

The financial statements on pages 54-82 were approved by the Governing Body of Southern Regional College on 25 November 2025 and were signed on its behalf on that date by:

Mrs L Campbell
Accounting Officer



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

SOUTHERN REGIONAL COLLEGE
CASH FLOW STATEMENT
FOR YEAR ENDED 31 JULY 2025

	Notes	2025 £'000	2024 £'000
Cash outflow from operating activities			
Deficit for the year		(2,596)	(1,686)
Adjustment for non-cash items			
Depreciation	12	4,805	5,275
Gain on disposal of assets		-	31
Adjustment for impairment below cost	12	3	56
Decrease in receivables less than one year	14	404	918
Increase/(Decrease) in payables less than one year	15	1,462	(2,332)
Decrease in payables more than one year	16	(549)	(656)
Amortisation of intangible asset	13	77	77
Use of other provisions	17	9	2
NILGOSC FRS 102 Pension adjustment	19	(5)	(16)
Adjustment for investing or financing activities			
Proceeds on disposal of fixed assets		-	20
Investment income	6	(243)	(263)
Net cash inflow from operating activities		3,367	1,426
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	(20)
Payments made to acquire tangible fixed assets	12	(1,733)	(1,164)
Investment income		243	263
Net cash outflow from investing activities		(1,490)	(921)
Increase in cash and cash equivalents in the year		1,877	505
Net funds at 1 August		3,433	2,928
Net funds at 31 July		5,310	3,433

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

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

STATEMENT OF ACCOUNTING POLICIES

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

BASIS OF PREPARATION

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit entity requirements for FRS 102. The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amount. They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

BASIS OF ACCOUNTING

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

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

PENSION LIABILITY

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

PROPERTY, PLANT AND EQUIPMENT

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT, as the open market value for existing use is not readily obtainable. Freehold buildings are depreciated over their expected useful economic life to the College as advised by the 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 costing greater than £10,000 will be reviewed annually and considered for re-life to the maximum useful above. Assets costing less than £10,000 will be disposed of from the asset register when their NBV is nil (they will still be tracked through the corporate inventory).

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

LEASED ASSETS

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

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

INTANGIBLE ASSETS

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

FOREIGN CURRENCY TRANSLATION

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

TAXATION

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

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

INVESTMENTS

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

CASH AND CASH EQUIVALENTS

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

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

TRADE AND OTHER RECEIVABLES

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

TRADE PAYABLES

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

PROVISIONS

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

AGENCY ARRANGEMENTS

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

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

In Accordance with Section 50 of the UK Internal Market Act 2020 (UKIM), the College acts as an agent in the receipt and distribution of payments to delivery partners on the Employ Me programme, funded from the UK Shared Prosperity Fund. The receipts from The 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.

SOUTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2025

1. DEPARTMENT FOR THE ECONOMY INCOME

	2025	2024
	£'000	£'000
Grant in aid received from DfE		
Recurrent grant	36,618	36,847
Release of unrestricted capital grants	2,055	2,164
Total grant in aid received from DfE	38,673	39,011
Non-grant in aid received from DfE		
Education Maintenance Allowance administration (EMA)	19	18
Higher level apprenticeships	1,493	1,262
Other non-grant in aid	2,260	1,780
Total non-grant in aid received from DfE	3,772	3,060
Total grant received from DfE excluding exceptional items	42,445	42,071
Exceptional DfE grant – Voluntary Exit Scheme	-	295
Total DfE income	42,445	42,366

2. EDUCATION CONTRACTS

	2025	2024
	£'000	£'000
Entitlement framework	983	984
Apprenticeships NI	4,146	3,836
Total	5,129	4,820

3. TUITION FEES AND CHARGES

	2025	2024
	£'000	£'000
Higher education (HE)	926	951
Home and other European Union	1,012	935
Total	1,938	1,886

The HE fees above include amounts to fund bursaries payable to eligible HE students of £30k (2024: £18k)

4. OTHER GRANT INCOME

	2025	2024
	£'000	£'000
European funds	10	33
Other funds	247	280
Total	257	313

5. OTHER OPERATING INCOME

	2025	2024
	£'000	£'000
Catering and residence operations	988	827
Other income generating activities	675	579
Other income	45	50
Total	1,708	1,456

6. INVESTMENT INCOME

	2025	2024
	£'000	£'000
Bank interest receivable	243	263
Total	243	263

7. STAFF COSTS

	2025	2024
	£'000	£'000
Governing body	63	68
Teaching	19,492	17,096
Support	3,945	3,941
Administration	9,417	8,705
Premises	1,110	1,097
FRS 102 pension adjustment (note 19)	(5)	(16)
	34,022	30,891
Exceptional staff costs - Voluntary Exit Scheme	3	496
Exceptional staff costs - Provision for annual leave on overtime	8	2
Total	34,033	31,389
Wages and salaries	24,999	23,687
Social security costs	2,746	2,267
Apprentice Levy	107	108
Pension cost	6,181	5,327
Total	34,033	31,389

There were no payroll costs capitalised during the year.

7. STAFF COSTS (continued)

	Senior post-holders		Other staff	
	2025	2024	2025	2024
	No.	No.	No.	No.
£60,001 to £70,000	-	-	30	36
£70,001 to £80,000	-	-	25	26
£80,001 to £90,000	-	-	10	8
£90,001 to £100,000	-	1	3	2
£100,001 to £110,000	1	2	-	2
£110,001 to £120,000	1	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	1	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	-	-
£160,001 to £170,000	-	-	-	-
£170,001 to £180,000	1	-	-	-
Total	4	4	68	74

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.

	2025	2024
	No.	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:

	2025	2024
	£'000	£'000
Salaries	444	393
Benefits in kind	-	-
Pension contributions	89	68
Total emoluments	533	461

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

	2025	2024
	£'000	£'000
Salaries	139	130
Benefits in kind	-	-
	139	130
Pension contributions	41	19
Total	180	149

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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

	2025 £'000	2024 £'000
Direct teaching	1,573	1,767
Direct support	3,101	3,053
Administration	3,298	3,044
Premises	7,426	8,129
Total	15,398	15,993

Other operating expenses include:	2025 £'000	2024 £'000
Auditors' remuneration:		
Financial statements audit	46	40
Internal audit	27	22
Other services provided by the financial statement's auditors (National Fraud Initiative exercise)	-	-
Hire of plant and equipment assets – operating leases	72	135
Hire of other assets – operating leases	-	-

10. INTEREST AND OTHER FINANCE COSTS

	Note	2025 £'000	2024 £'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 2024	117,037	3,262	8,865	5,519	1,521	293	136,497
Additions	3	487	205	1,038	-	-	1,733
Surplus/ (deficit) on revaluation	(7,377)	-	-	-	-	-	(7,377)
Impairment below cost adjustment	-	-	-	-	-	-	-
Disposals	-	-	(1,415)	(2,411)	(120)	(18)	(3,964)
At 31 July 2025	109,663	3,749	7,655	4,146	1,401	275	126,889
Depreciation							
At 1 August 2024	7,296	-	6,613	4,591	1,383	276	20,159
Charge for the year	3,873	-	344	492	134	(38)	4,805
Disposals	-	-	(1,415)	(2,411)	(120)	(18)	(3,964)
Impairment adjustment	3	-	-	-	-	-	3
Revaluation	(11,172)	-	-	-	-	-	(11,172)
At 31 July 2025	-	-	5,542	2,672	1,397	220	9,831
Net book value at 31 July 2025	109,663	3,749	2,113	1,474	4	55	117,058
Net book value at 31 July 2024	109,741	3,262	2,252	928	138	17	116,338

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;

	2025 £'000	2024 £'000
Freehold Land and Buildings	109,599	109,677
Leasehold Land	64	64
Owned assets	109,663	109,741

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:

	2025 £'000	2024 £'000
Cost (including assets under construction)	60,713	60,223
Aggregate depreciation based on cost	(10,946)	(9,860)
Net book value based on cost	49,767	50,363

The depreciation charge for the year is analysed as follows:

	2025 £'000	2024 £'000
Owned assets	(4,805)	(5,275)

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.

At July 2025, there are fully depreciated assets held of £3.002m which are more than ten years old that have no commercial value. There are £1.371m of assets that are due to be re-lived in August 2025. We continue to review these assets in line with the College's depreciation policy.

13. INTANGIBLE FIXED ASSETS

	Computer Asset £'000	Total £'000
Cost or valuation		
At 1 August 2024	424	424
Reclassification	-	-
Transfer to Asset in Use	-	-
At 31 July 2025	424	424
Amortisation		
At 1 August 2024	250	250
Charge for the year	77	77
At 31 July 2025	327	327
Net book value at 31 July 2025	97	97
Net book value as at 31 July 2024	174	174

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

	2025	2024
	£'000	£'000
Trade receivables	185	225
Prepayments and accrued income	1,730	2,094
Total debtors	1,915	2,319

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

	2025	2024
	£'000	£'000
DfE income	164	176

15. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£'000	£'000
Trade payables	868	739
Taxation and social security	18	27
Deferred income and payments received in advance	2,440	2,268
Accruals	2,855	1,685
Total	6,181	4,719

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;

	2025	2024
	£'000	£'000
DfE grant income	46	134
Capital grant income	2,220	1,971
Other grant income	174	163
Total	2,440	2,268

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

	2025	2024
	£'000	£'000
Capital grant income	34,878	35,427
Total	34,878	35,427

17. PROVISIONS FOR LIABILITIES AND CHARGES

	Pensions	Other	Total
	£'000	£'000	£'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

	Pensions	Other	Total
	£'000	£'000	£'000
At 1 August 2023	5	141	146
Income/(Expenditure) in the period	(16)	2	(14)
Transferred to Statement of Comprehensive Income and Expenditure	(2,793)	-	(2,793)
Irrecoverable surplus on pension scheme	2,809	-	2,809
At 31 July 2024	5	143	148

The funded benefits pension scheme has an asset ceiling valuation of £Nil. Therefore, the irrecoverable surplus for 2025 was £8,077k (2024 £2,809k). These amounts are reflected in the pension valuation in the financial statements. The funded/ irrecoverable surplus of the pension scheme at July 2025 is £16,235k.

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;

17. PROVISION FOR LIABILITIES AND CHARGES (continued)

3. Future negotiations with Trade Unions;
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 2024 £'000	Cash flows £'000	At 31 July 2025 £'000
Cash and cash equivalents	<u>3,433</u>	<u>1,877</u>	<u>5,310</u>

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

	2025 £'000	2024 £'000
NITPS: contributions paid	4,280	3,545
NILGOSC: contributions paid	1,906	1,798
NILGOSC: FRS 102 (28) adjustments	<u>(5)</u>	<u>(16)</u>
NILGOSC: charge to the Statement of Comprehensive Income and Expenditure (staff costs)	<u>1,901</u>	<u>1,782</u>
Total pension cost for year	<u>6,181</u>	<u>5,327</u>

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

NITPS

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. Until 1 April 2015, the scheme operated under the Teachers' Superannuation Regulations (NI) 1998 (as amended). Further information about the scheme is given in the explanatory booklet dated November 2007, and on the Department of Education's website at www.education-ni.gov.uk.

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

The Public Service Pensions Act (Northern Ireland) 2014 provides for the closure of existing public 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 employer contribution rates increased to 29.1% from April 2024. The salary bands applicable to member contribution for the NITPS, based on a member's annual salary rate (actual earnings) from 1 April 2024:-

Salary	
Up to £34,289.99	7.40%
£34,290 to £46,158.99	8.60%
£46,159 to £54,729.99	9.60%
£54,730 to £72,534.99	10.20%
£72,535 to £98,908.99	11.30%
£98,909 and above	11.70%

Table 17

From 1 April 2025, the bands changed to those below.

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 18

NILGOSC

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

SOUTHERN REGIONAL COLLEGE
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The following information is based upon a full actuarial valuation of the fund at 31 March 2022 updated to 31 July 2025 by a qualified actuary.

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

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

	At 31 July 2025	At 31 July 2024
Rate of increase of salaries	4.25%	4.30%
Rate of increase for pensions	2.75%	2.80%
Discount rate for scheme liabilities	5.75%	5.00%
Inflation assumption (CPI)	2.75%	2.80%

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

	At 31 July 2025	At 31 July 2024
<i>Retiring today</i>		
Males	21.1	21.0
Females	23.9	23.9
<i>Retiring in 20 years</i>		
Males	21.6/21.9	21.6/21.9
Females	24.6/24.9	24.7/25.0

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

	Value at 31 July 2025 £'000	Value at 31 July 2024 £'000
Equities	28,143	24,939
Bonds	15,848	13,013
Property	6,809	5,704
Cash	8,038	10,701
Multi Asset Credit	9,047	8,096
Fair value of assets	67,885	62,453

Amounts recognised in the Statement of Financial Position

	2025 £'000	2024 £'000
Funded Benefits		
Scheme assets	67,885	62,453
Scheme liabilities	(51,655)	(54,689)
Present value of funded defined benefit obligation	16,230	7,764
Irrecoverable surplus	(16,230)	(7,764)
Funded Scheme – Net assets / (liability)	-	-
Unfunded Benefits		
Present value of unfunded benefits	(5)	(5)
Net liability	(5)	(5)

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Analysis of amounts charged to staff costs

	2025	2024
	£'000	£'000
Employer service cost (net of employee contributions)	1,899	1,791
Total operating charge	1,899	1,791

Analysis of pension finance costs

	2025	2024
	£'000	£'000
Expected return on pension scheme assets	3,164	2,852
Interest cost	(2,775)	(2,611)
Interest adjustment due to irrecoverable surplus	(389)	(241)
Net credit/charge to interest receivable/(payable)	-	-

Analysis of other comprehensive income/(expenditure) for pensions

	2025	2024
	£'000	£'000
Actuarial gains from assets	615	2,880
Actuarial gains/(losses) from a change in financial assumptions	7,437	(489)
Actuarial gains from a change in demographic assumptions	20	402
Actuarial (losses)/gains from experience	-	-
Actuarial losses from recoverable surplus	(8,077)	(2,809)
Total of other comprehensive expenditure	(5)	(16)

Movement during the year

	2025	2024
	£'000	£'000
Deficit in scheme at 1 August	(5)	(5)
Employer service cost (net of employee contributions)	(1,895)	(1,791)
Employer contributions	1,903	1,807
Past service cost	(3)	-
Net interest on assets	-	-
From changes in financial assumptions	-	-
Actuarial gains recognised in other comprehensive income	8,072	2,793
Irrecoverable surplus	(8,077)	(2,809)
Deficit in scheme at 31 July	(5)	(5)

19. PENSIONS AND SIMILAR OBLIGATIONS (continued)

Reconciliation of liabilities

	2025	2024
	£'000	£'000
Liabilities at start of period	54,689	50,426
Service cost	1,899	1,791
Interest cost	2,775	2,611
Employee contributions	617	588
Actuarial loss/(gain)	-	-
Benefits paid	(868)	(814)
Past service cost	-	-
From change in financial assumptions	(7,437)	489
From change in demographic assumptions	(20)	(402)
Liabilities at end of period	51,655	54,689

Reconciliation of assets

	2025	2024
	£'000	£'000
Assets at start of period	62,453	55,140
Expected return on assets	3,164	2,852
Actuarial gain/(loss)	615	2,880
Employer contributions	1,903	1,807
Employee contributions	618	588
Benefits paid	(868)	(814)
Assets at end of period	67,885	62,453

The estimated value of employer contributions for the year ended 31 July 2026 is £1,944k.

20. CAPITAL COMMITMENTS

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

	2025	2024
	£'000	£'000
Commitments contracted for at 31 July	749	813
Authorised but not contracted at 31 July	-	-
Total	749	813

21. FINANCIAL COMMITMENTS

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

	2025	2024
	£'000	£'000
Other		
Expiring within 12 months	25	36
Expiring within two and five years inclusive	-	70
Total	25	106

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

	2025	2024
	£'000	£'000
Income		
Expiring within two and five years inclusive	8	21
Total	8	21

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 2025 £'000	Transactions 2024 £'000	Amount outstanding at 31 July 2025 £'000	Amount outstanding at 31 July 2024 £'000
T Rice**	Newry Chamber of Commerce and Trade	19	9	-	-
T Rice**	Newry, Mourne and Down District Council	20	24	-	-
M Turner** S Rogan**	Pearson UK	254	250	-	-
S Rogan** M Turner**	CCEA	32	26	-	-
M Turner** G McMurray* T Rice**	Armagh City, Banbridge and Craigavon Borough Council	4	3	-	-
L Shackels**	The Open University	137	113	-	-
N Harkness*	Strategic Investment Board (SIB)	61	107	-	-
T Moore*	Department of Justice	25	21	-	-
S Harper*	Queen's University Belfast	2	5	-	-
M Kelly*	Ulster University	160	175	-	-
A Whiteside*	Stranmillis University College	30	N / A	-	-

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

Table 19

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 2025 £'000	Transactions 2024 £'000	Amount outstanding at 31 July 2025 £'000	Amount outstanding at 31 July 2024 £'000
M Turner** G McMurray* T Rice**	Armagh City, Banbridge and Craigavon Borough Council	9	38	2	-
T Rice**	Newry, Mourne and Down District Council	54	51	(3)	(3)
S O'Hare*	Newbridge Integrated College	22	-	-	-
M Kelly*	Ulster University	111	103	-	-
A Whiteside*	Stranmillis University College	48	N/A	-	-

*denotes governor, ** denotes member of staff

Table 20

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.

	2025 £'000	2024 £'000
DfE Student Hardship Grant	154	243
Disbursed to students	(106)	(109)
Balance unspent at 31 July	48	134

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.

	2025 £'000	2024 £'000
DfE Care to Learn Grant	5	7
Disbursed to students' childcare providers	(5)	(7)
Balance at 31 July	-	-

23. AGENCY ARRANGEMENTS (continued)

In accordance with Section 50 of the UK Internal Market Act 2020 (UKIM), the College acts as an agent in the receipt and distribution of payments to delivery partners on the Employ Me programme, funded from the UK Shared Prosperity Fund. The receipts from The 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.

	2025 £'000	2024 £'000
DLUHC delivery partner funding received	1,225	1,651
Disbursed to partners	(1,225)	(1,651)
Balance at 31 July	-	-

24. LOSSES AND SPECIAL PAYMENTS

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

Losses Statement

	2025	2024
Bad debts written off		
Total number of losses	33	167
Total value of losses (£000)	3	98

Special Payments

	2025	2024
Total number of special payments	1	2
Total value of losses (£000)	5	69

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	2025 £'000	2024 £'000
INCOME			
DfE income (non-grant-in-aid items)	1	3,772	3,060
Education contracts	2	5,129	4,820
Tuition fees and charges	3	1,938	1,886
Other grant income	4	257	313
Other operating income	5	1,708	1,456
Investment income	6	243	263
Total incoming resources		13,047	11,798
EXPENDITURE			
Staff costs	7	(34,022)	(30,891)
Exceptional item – Voluntary Exit Scheme	7	(3)	(496)
Exceptional item – provision for annual leave on overtime	7	(8)	(2)
Other operating expenses	9	(15,398)	(15,993)
Depreciation and impairment	12	(4,885)	(5,408)
Interest and other finance costs	10	-	-
Total resources expended		(54,316)	(52,790)
Deficit before tax		(41,269)	(40,992)
Taxation	11	-	-
Deficit for the year		(41,269)	(40,992)
Unrealised surplus on revaluation of land and buildings		3,795	2,591
Actuarial gain in respect of pension scheme		8,072	2,793
Irrecoverable surplus		(8,077)	(2,809)
Amount transferred to reserves		(37,479)	(38,417)
Analysis of reserves prepared under FReM			
		2025 £'000	2024 £'000
Balance at 1 August		81,970	81,081
Grant-in-aid received in year excluding exceptional item		38,673	39,011
Grant-in-aid received in year exceptional item		-	295
Amount transferred to reserves		(37,479)	(38,417)
Balance at 31 July		83,164	81,970

26. EVENTS AFTER THE REPORTING PERIOD DATE

In November 2025, the NJC agreed the pay award for support staff, effective 1 April 2025. This pay award has been accrued at July 2025. In November 2025, the principals approved to proceed with back pay on Holiday pay to August 2024, reflecting the start of the College's financial year.

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 28 November 2025.