



north west
regional college

Derry-Londonderry • Limavady • Strabane

North West Regional College Annual Report and Accounts

YEAR ENDED 31 JULY 2021

**NORTH WEST REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS**

YEAR ENDED 31 JULY 2021

The Accounting Officer authorised these

Financial statements for issue

on

15th November 2021

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

8th December 2021

NORTH WEST REGIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2021

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Strategic Report

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Nature, Objectives and Strategies

The Governing Body members present their report and the audited financial statements for the year ended 31 July 2021.

Legal Status

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

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

Mission Statement

We provide quality education that supports the creation of more jobs and fosters a culture of lifelong learning for work.

Corporate and Business Planning

Our Purpose & Strategy

Our purpose at NWRC is 'Making Lives Better'. The College's vision, mission and values confirms its commitment to students, business, the community and the staff. The College aims to create a great place to work and learn and in doing so positively impact on the health and wellbeing for staff and students. This is especially important given our challenging socio-economic environment, which is still being impacted by the economic downturn. Despite the fact that unemployment is falling and our economy is growing, we have the highest claimant count and the highest rates of economic inactivity in NI within our city and region. Five out of the top ten most deprived super output areas (SOAs) are within our catchment area.

The economic landscape has been further affected by the COVID pandemic. The out-workings of the lockdown and the impact on business and industry is presently becoming apparent. While the Job Retention Scheme intervention has helped sustain employment levels, the phased reduction of furlough may result in increased unemployment.

The 2020-21 College Development Plan provides a clear vision of the College strategy, taking cognisance of the current baseline position.

The College curriculum policy and curriculum plan were recently revisited to reflect the emphasis on its commitment to providing a portfolio of programmes at Levels 0 – 6 delivered on a full time and part time basis, aligned to Department for the Economy (DfE) departmental strategies while meeting the needs of local stakeholders.

The industry standard learning and teaching facilities on our campuses provide aspirational environments for learning and we continue to be well placed to take on the challenge of enhancing the skills set of the population of the city and region.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

The College effectively resources all provision and develops staff through Continuous Professional Development to ensure currency of skills and quality of delivery. We aim to develop and maintain a College community whose skills and expertise are compatible with the changing demands of the wider educational, industrial and economic environment.

We recognise that the development of skills must be managed to ensure that the skills output matches the future needs of employers and society, especially in the area of technology transfer. The College is engaged in the ongoing development of a learner centred curriculum that is focussed on skills development. We are proud of our long history of providing curricular choice and opportunities for all.

NWRC will be at the forefront of delivery of any strategic economic initiatives that will aim to support individuals and local business and industry in the context of COVID.

Our Curriculum

The College offers education and training programmes at Levels 1-6 across a wide range of professional and technical areas.

The Higher Education (HE) provision accounts for 13% of the total College Enrolment count (excluding Essential Skills). The total Further Education (FE) Enrolment count was 10,553 (including Essential Skills). As part of the Entitlement Framework provision offered to post-primary schools, there were 43 course offerings with 446 enrolments across three area learning communities.

Some 31% of students attended on a full time basis. Within the full time cohort of students, 50% of students were male and 50% were female. The College also delivered Work Based Learning in 24 vocational areas as part of the Training for Success and Apprenticeship NI. 12% of FE full-time students had a learning disability and were supported in their learning within mainstream provision.

Higher Level Apprenticeship (HLA)

NWRC continued to offer HLA courses in:

- Accountancy
- Hospitality & Tourism Management
- Mechanical Engineering
- Software Development
- Travel & Tourism Management
- Electrical and Electronic Engineering
- Civil Engineering
- Leadership in Children's Care, Learning & Development

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Major curriculum reform to NI's professional and technical education and training frameworks has been delayed due to COVID. The College recognises the key role that it has to play if we are to realise the vision that the Further Education (FE) sector will be recognised locally, regionally and internationally for high quality and economically relevant education and training provision.

Through our professional and technical curriculum, offered at level 1 and above we are supporting the rebalancing and rebuilding of the Northern Ireland economy. Our curriculum within all professional and technical areas is broad, diverse and tailored to meet the education and training needs of the relevant sectors. The curriculum plan has been informed by our strategic priorities as well as a number of other key DfE strategies and publications.

The impact of COVID on the delivery of the curriculum during the academic year 2020/21 was significant. Restrictions imposed on face to face delivery and lengthy periods of lockdown created challenges for curriculum staff delivery. In particular, programmes involving practical assessment and work-based learning elements experienced frequent delays in delivery. Curriculum teams continued to support students and mitigate delays throughout the academic year to ensure qualifications were completed.

Due to COVID the revalidation of programmes such as Foundation Degrees were postponed, and an updated schedule has been received from the relevant awarding organisations for 2021/22 academic year. The Foundation Degree in Business and Enterprise was successfully revalidated during the previous year.

The College plays a central role in the delivery of Local Government Community Planning in both Derry City & Strabane District Council (DCSDC) and Causeway Coast and Glens Borough Council (CCG). It is a strategic partner with DCSDC and other key stakeholders in City Deal for the Derry~Londonderry City Region. The College is committed to the further expansion of Apprenticeships to include Higher Level Apprenticeships (HLAs) and the College also plays a leading role in realising the ambition to become a UNESCO Learning City.

There is also now momentum in the city and region around health excellence as a strategic economic competence. The College, designated as the 'Hub' for the FE Sector in Health and Social Care, is leading curriculum development from Level 1 – Level 5 in this vocational area.

Our College's role in supporting the widening access and participation agenda in the City region is widely recognised and we remain committed to providing a curriculum that supports the participation of learners with learning difficulties and disabilities, those from under-represented groups in society and those not in employment, education or training (NEETs) The College will continue to work in partnership with the Prince's Trust to offer the highly successful TEAM programme across all three College campuses and further develop the sector wide College Connect programme.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

The College's economic engagement continues to be outward facing and is unlocking the potential of the city and region to create prosperity. The Business Support Centre, which manages economic engagement and economic development, is central to supporting businesses with skill acquisition and innovation awareness to assist them to move up the skills and innovation escalator.

The College currently has three Innovation Centres – Foodovation, Product Design Centre and a Design Innovation for Assisted Living (DIAL) Centre with a fourth Innovative Virtual Augmented Reality(VAR) Centre – Immersive Lab proposed. These innovation centres are industry facing and link with curriculum through applied research, idea generation, prototype development and proof of concept.

As one of two 'Science Technology Engineering and Math (STEM) Assured' accredited Colleges in NI and the Lead College in Creative and Cultural Skills, the College continues to be a success achieving numerous awards. Most recently, the Provider of the Year category for the Open College Network (OCN) NI Learning Endeavour Awards 2020.

NWRC has significant expertise in online learning. This was particularly influential from mid-March 2020 when the Colleges were closed in line with government direction to minimise the spread of COVID. Staff expertise of technology enabled students undertaking FE, HE, Training for Success (TFS) and Apprenticeships NI (APPNI) provision to continue with their learning. Essential Skills and Entitlement Framework delivery also continued. The College was innovative in planning and delivering adaptive assessments to students in vocational areas who were unable to complete their qualifications due to the work-based learning restrictions.

The College will continue to strive to achieve its purpose and objectives for Making Lives Better for all of its stakeholders as the primary provider of professional and technical education and training in the North West region.

**NORTH WEST REGIONAL COLLEGE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2021**

Enrolment Results 2020/21

In 2020/21 the College had a total target of 12,755 enrolments. The table below shows actual performance against target.

HIGHER EDUCATION FIGURES

	Target	Actual
HE Full Time	541	514
HE Part Time	523	626
Total	1,064	1,140

	Target	Actual
HLA	69	67

FURTHER EDUCATION FIGURES

	Target	Actual
FE Full Time	2,163	2,146
FE Part Time	8,666	4,717
Total	10,829	6,863

TFS/APPNI FIGURES

	Target	Actual
TFS Full Time	227	196
TFS Part Time	195	228
APPNI *Incl HLA	440	487
APPNI Part Time	0	0
Total	862	911

ESSENTIAL SKILLS FIGURES

	Target	Actual
ESK (TFS)	249	300
ESK (FE)	1,453	1,270
ESK (APPNI)	15	69

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

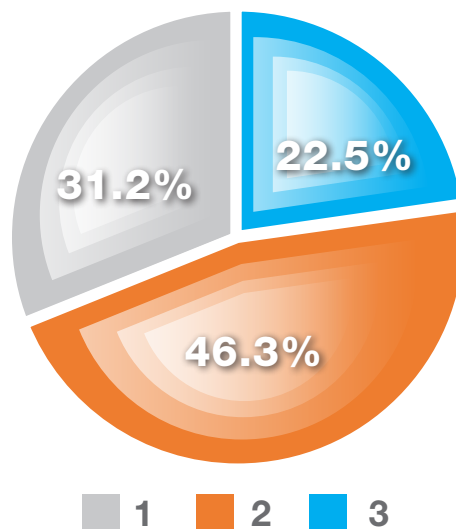
64% of all College enrolments were in the Key Priority Skills Areas and STEM provision and 87% of all College programmes delivered were accredited.

Retention for the College in funded courses is 81% for FE Full Time, 94% for FE Part Time, 88% for HE Full Time, 94% for HE Part Time and 82% for Essential Skills.

Overall College retention was 89% for 2020/21.

The combined Level 2 and Level 3 provision contributes to 77.5% of FE provision¹.

Consolidated Data Return 20/21 (27/08/2021)



The primary focus of the NI Programme for Government is the economy; this correlates with the requirement for quality education and skills training, improving the skills level of the population and increasing the number of people working in good jobs. Therefore, NWRC will continue to provide opportunities for the people of the city and region to retrain, develop new skills and diversify in order to change career. NWRC will continue to play a key role in providing individuals with the ability to upskill/reskill and move across sectors as economic needs change with the North West City Region.

Despite the very challenging environment in the city and region, NWRC sits at the heart of the professional and technical education system and has played a key role in providing individuals within our catchment area with the ability to upskill/reskill and move across sectors as economic needs change. In determining our future curriculum offer, cognisance must not only be taken of our strategic priorities to generate a strong and vibrant economy but also of our requirement to address educational disadvantage and levels of deprivation by continuing to promote social inclusion.

1 CDR Extract 27th August 2021

**NORTH WEST REGIONAL COLLEGE
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Employer Engagement

The targets for business engagement were met in all areas.

	Target	Actual
Skills Focus (no. of Businesses supported)	220	464
InnovateUs (No. of projects)	70	92
Innovation Vouchers	25	31
KTPs	1	1
Fusions	24	29
Academies (No. of companies)	4	4

464 employees were up-skilled to level 2 and above via the DfE Skills Focus programme, despite the challenges caused by COVID. DfE have also decided to continue to waive the 25% employer contribution for the funding year beginning April 2021 to the end of March 2022, providing 100% funding for businesses with less than 250 employees.

4 Assured Skills academies were successfully delivered with Alchemy, FinTrU and several SME engineering businesses with 70 jobs created in the Financial, IT Services and manufacturing sectors.

The Skills team also secured and managed the delivery of more than £500K of Covid Skills Interventions funded training for people effected by Covid.

The College's innovation centres met all their targets for the past year. Foodovation, (Strand Road, Derry/Londonderry) and the Product Design Centre (Greystone, Limavady) continue to provide new product development and product improvement support to businesses and played a vital role in supporting businesses to adapt to the COVID landscape. The Business Support Centre also supports entrepreneurs and businesses in ICT, Media and Augmented and Virtual Reality (AR & VR) and is investing in facilities in these areas to support businesses.

Notably the Business Support Centre was awarded the 2020 Times Education Supplement (TES) UK award for Employer Engagement for the work that it has done in supporting businesses

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Financial Objectives

The College's financial objectives are:

- Balanced budget – the College aims to live within the DfE budget allocated for the April –March fiscal year which it did. For the year to 31 July 2021, the College is reporting an historic deficit of £1,980k
- Cash days of between 20-40 –actual cash days for 2020/21 is 52 days
- Debtor days of between 0-30 – actual debtor days for 2020/21 is 49 days
- Unqualified External Audit report
- Internal Audit assurance rating of Satisfactory over the system of internal control within the College

Financial Results

The College incurred an operating deficit on continuing operations after depreciation of assets at valuation and before exceptional items of £3,432k (Deficit in 2020 of £2,764k). The historic deficit in the year was £1,980k after charging £2,962k of pension costs as a result of the FRS17 adjustment (Historic deficit in 2020 of £1,240k). The historic surplus before the FRS17 adjustment is £982k (Historic surplus in 2020 of £128k). Under FRS102, there is no Statement of Recognised Gains & Losses so the actuarial gain/loss in respect of the pension scheme and revaluation of land & buildings now form part of the Statement of Comprehensive Income. This results in an overall surplus for the year of £3,269k (Deficit in 2020 of £16,714k after an exceptional cost of £1,225k).

The movement from the 2020/21 College Development Plan and the final outturn is explained by movements to a number of key account headings. Some of the notable variances included – a £1,890k favourable variance in DfE grants; a £146k unfavourable variance in fee income; a £236k unfavourable variance in Other Grant Income due to effects of COVID crisis including the pause on European projects; a £154k unfavourable variance in Other Operating Income relating to effects of COVID; a £489k favourable variance in Teaching staff costs due delays in recruitment and decreased classes due to COVID crisis; a £32k favourable variance in Direct support staff costs due to delays in recruitment; a £192k favourable variance in Administration staff costs; a £204k favourable variance in Non-Pay Direct Support costs; a £104k favourable variance in Non-Pay Admin costs and a £465k unfavourable variance in Non-Pay Premises costs. Most of these variances are related to the effects of the COVID crisis.

Buildings were subject to a full revaluation at 31 July 2020 and a further indexation of 0.9% at 31 July 2021 by Land and Property Services.

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension liability decreased from £21.5m to £18.7m.

The College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2020/21 DfE provided 68% (2019/20 - 65%) of the College's total income through allocated recurrent grant. This represented 14.3% of the total recurrent grant available to the sector.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Reserves

The College has accumulated reserves of £21,578k and cash balances of £5,784k.

Finances and Going Concern

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

Treasury Policies and Objectives

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.

The College has a separate Investment Policy in place that complies with DfE Financial Memorandum.

The purpose of the policy is to provide the College with specific guidelines as to the period of investments, diversification of institutions, and aiming to attain the best rate of return on any investments.

Cash Flows

The College has a £824k cash inflow for the year. (2020 - £563k inflow)

Liquidity

As per the Statement of Financial Position the College's liquidity is in line with the Financial Memorandum.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Student Activities and Achievements

The College full time FE student enrolments saw a decrease between 2019/2020 and 2020/2021 due in the main to the continuing declining demographics in the North West and the impact of the Covid Pandemic

- Full-time FE Main College Provision enrolments decreased by 2.5% from 2,203 to 2,146
- Full-time Maximum Student Numbers (MaSN) HE enrolments decreased by 0.58% from 517 to 514
- Full-time Training For Success/ApprenticeshipNI enrolments decreased by 6.5% from 659 to 616
- Part-time enrolments (excl. ESK) decreased by 36% from 8,816 to 5,638
- Residual qualifications carried into 2020/21 from 2019/20 as a result of COVID lockdown from March 2020 were completed in 2020/21.
- Part Time HE enrolments exceeded target of 523 by 20% achieving enrolments of 626. This was partly due to the increase in Skills Funding available to support employees that may have been furloughed upskill or reskill during lockdown.
- Enrolments in APPSNI exceeded target of 371 by 13% achieving enrolments of 420.
- Enrolments on targeted programmes such as College Connect and Princes Trust achieved their target of 85 enrolments.
- 64% of the overall College enrolments were on Priority Skills Areas and STEM programmes. Exceeding the College target of 39%.

Payment Performance

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

During the accounting period 1 August 2020 to 31 July 2021, the College paid 95% of its invoices within 30 days (2019/20 - 92%). The College incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers promptly - within 10 working days. During the accounting period 1 August 2020 to 31 July 2021, the College paid 90% of its invoices within 10 days. (2019/20 - 80%)

Events after the end of the Reporting Date

There have been no significant events after the end of the reporting date.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Future Developments

The College recognises the financial challenges that the public sector will face in the coming years. A significant percentage of funding comes from Recurrent Grant from the Department for the Economy. BREXIT and the COVID pandemic has created uncertainties and challenges and may impact adversely on the curriculum provision. In addition, demographic trends have significantly impacted student recruitment, not only at our own College but right across the Further Education sector.

The full impact of the Covid19 pandemic in terms of recruitment and how the College will operate in the (2021/22) is to some degree unknown. Given the experiences during the 2020/21 year the College is better placed to deal with the challenges presented by the pandemic. The support provided to date by DfE has been significant in allowing us to provide the best possible service to our students and to support our staff. The College has invested significantly in preparing for the new academic year – putting measures in place to ensure that the College environment is safe for students and staff.

A new Estates Strategy has been prepared and approved by the Governing Body. The strategy identifies five major projects which, with appropriate approval and funding will be progressed over the ten years. One of these projects is the development of a new campus in Strabane that will be progressed within the Derry and Strabane City Deal project.

The College is also hoping to progress a food innovation project within the Causeway Coast and Glen Councils Growth Deal initiative.

RESOURCES:

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

Estate:

The value of the main College sites at 31 July 2021 are as follows:

	Value £'000
Foyle Building	17,020
Strand Road	19,370
Limavady	9,753
Northland*	10,790
Centre for Technology	7,391
Strabane	2,774
Springtown	9,469
Maydown	323

**PFI Building*

Financial:

The College has £21.6 million of net assets (including an £18.7 million pension liability).

People:

The College employs 605 people (expressed as full time equivalents), of whom 323 are teaching staff

Sickness/Absence Data	2020-21	2019-20
No of days absent	3,993	5,211
Time Lost	2.8%	3.4%
Average Day Lost per employee	5.5 days	7 days

**NORTH WEST REGIONAL COLLEGE
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FOR THE YEAR ENDED 31 JULY 2021**

Reputation:

NWRC is the main provider of professional and technical education and training in the North West, NWRC plays a central role in up-skilling and re-skilling the population through the delivery of an economically focussed curriculum from Level 0 - Level 6.

In the latest inspections of the College the Education and Training Inspectorate stated that in the professional and technical areas inspected the quality of education and training provided across the College is good. The latest scrutiny inspection of the Self Evaluation Report (SER) process was graded “Confident”. The latest quality review carried out by QAA on the HE provision at NWRC resulted in a “Confident” grade. An ETI Review of the Level 3 Provision in the FE Sector commenced in January 2020. The College was reviewed in February 2020 and received very positive feedback from the ETI following their visit. The completion of the review of all 6 Colleges was postponed by COVID.

Name of Inspection	Overall Grade
ETI Inspection Report – Training for Success and Apprenticeships NI provision	Good
ETI Scrutiny Inspection of the Self-Evaluation and Quality Improvement Planning Processes	Confident
QAA – Quality Review Visit	Confident

The College is committed to improving its performance on a continuous and systematic basis. As part of the College quality improvement process each curriculum and support area produces an annual self-evaluation report and action plan. The latest Scrutiny Inspection was carried out by the Education and Training Inspectorate during their visit to evaluate the Level 3 provision at the College and the College achieved a grade of Confident for the Self Evaluation Processes. The academic year 20/21 was significantly impacted by COVID, however, the self evaluation process continued with the College submitting a Whole College Self Evaluation and Action Plan tailored to specific ETI requirements for that year. Feedback indicated that the College was given Outcome A – the highest grading- which stated that ‘On the basis of the information provide, there is sufficient evidence that the organisation is planning effectively for recovery and continuity in learning and quality improvement’.

The new arrangements for higher education with the publication of a new Operating Model for the governance and review of higher education came into effect in 2016. There has been a recent review of the internal multidisciplinary committees within the College to further support quality of provision. Revised Terms of Reference and membership have been revisited and agreed for a) the Academic Standards Committee (dealing with HE) and b) a new Work Based Learning Committee which also deals with the development and delivery of new Traineeship provision. A number of recent TMS audits relating to compliance processes have been satisfactory.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

The Head of Curriculum and Operations has established a number of new cross College committees to progress improvement in areas including Essential Skills and the college Tutorial System. The College curriculum policy and curriculum plan had been updated to reflect the emphasis of the sector and College on the development and delivery of high quality professional and technical education and training reflecting the ongoing outworking of sector curriculum reform as well as the delivery of funded skills related provision supporting economic growth and recovery.

A new management information system (EBS) was introduced by the sector in September 2020. The Curriculum Leadership team have had an ongoing focus on the implementation of this system to provide accurate and timely information relating to student enrolments. New dashboards have been developed to facilitate monitoring of and retention, ultimately for the purpose of identifying and providing targeted student support to improve the learner experience and achievement and success rates.

The College has a good reputation with its students and the student voice is integral to the ethos at the College. Surveys are carried out across Further and Higher Education for both employers and students and feedback is received from a range of stakeholders. Pastoral care is a significant strength within the College and is highlighted as such in the majority of inspection reports and by student feedback.

The results of student surveys were impacted by the restrictions imposed on society in general due to COVID. The National Student Survey results released in early July show that 76% of all students that took part in the survey were overall satisfied with their course and the College. The sector outcome was 75%. Over 85% of our students confirmed they were able to contact staff when they needed to (sector average was 81%); around 82% confirmed their course provided them with opportunities to apply what they had learned (sector average was 76%); and almost 68% confirmed they felt part of a community of staff and students (sector average 59%). Although, outcomes were lower than previous years the College remained to achieve higher outcomes than the sector average in most questions asked of the students.

A wide range of Learner Services are also available online. This ensured that the College staff were able to continue to engage with students during lockdown to provide ongoing support in line with learner needs, including ongoing financial, career and safeguarding services. NWRC was the first College to introduce Elemental - a model of social prescribing to support learners.

The College is committed to working with all of its stakeholders to improve the skills mix of the workforce in Northern Ireland and enhance the economic environment.

During the year Internal Auditors graded 5 reports satisfactory and the overall end of year report was graded as Satisfactory.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Summary of College highlights from 2020-21:

- Lecturers at NWRC were awarded prizes in the 2021 Technology Enhanced Learning (TEL) Awards recognising their use of TEL over the Covid lockdowns.
- NWRC Limavady became the first College in the North West to offer a course in Butchery, which can lead directly to employment or further study in Food, Hospitality or Catering.
- NWRC's Business Support Centre (BSC) and Mechanical and Electrical Contracting Specialists, AE Global, were awarded an 'Outstanding' Assessment by InnovateUK after completing a 2.5 year Innovate UK and Invest NI funded Knowledge Transfer Partnership (KTP) project. InnovateUK.
- NWRC launched the Student Ambassador Programme offering students the opportunity to undertake a leadership role while making a positive contribution to their College.
- NWRC unveiled a £500k package of fully-funded courses to support local people whose employment has been affected by the COVID pandemic. Supported by the Department for the Economy's (DfE) Covid Skills Interventions Programme the courses are specifically planned to offer people who have been affected by COVID, the opportunity to upskill or retrain.
- NWRC won the award for Best Employer Engagement at the Times Educational Supplement (Tes) Further Education Awards 2020. This prestigious award, open to Further Education Colleges across the UK, recognises strategic and innovative approaches to delivering employers' workforce development needs.
- A multi million pound project to redevelop facilities at the College's Springtown campus, which delivers most of NWRC's training and skills courses was completed.
- NWRC took part in the world's first Virtual Learning City Festival, celebrating lifelong learning experiences across the city and district.
- Twenty-two Higher Education (HE) students studying Science, Technology, Engineering and Mathematics (STEM) associated subjects at NWRC were awarded scholarships totalling £44,000 from the 2020/21 SSE Airtricity Scholarship Fund.
- NWRC Welding student Declan McEleney was shortlisted as a finalist in the N.I. Apprenticeship awards.
- Almost 700 students graduated during NWRC's Virtual Graduation Ceremony which celebrated the achievements of the College's Higher Education students.
- NWRC joined forces with award winning company Elemental Software, in a ground breaking new partnership to revolutionise the way students can access support services and programmes. NWRC is the first ever Further and Higher Education College to adopt Elemental's Digital Social Prescribing Platform, which will enhance student wellbeing, build resilience, and promote new ways of working using social prescribing.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

- Four students from Lumen Christi College were presented with NWRC's inaugural Challenge Cup for Engineering.
- NWRC launched a brand-new website which aims to give visitors, students, and stakeholders, information on the College's five campuses, at the click of a button.
- NWRC was named top performing College at this year's Northern Ireland College's Media Awards.
- All twelve Apprentice welders who took part in an Assured Skills Welding Academy at North West Regional College all received an offer of employment on completion of the academy.
- Two teams at NWRC won a major national award recognising their work to support students during lockdown which resulted in an increase in attendance at online classes. The NWRC Student Welfare and Students' Union team won the Welfare Campaign of the Year award at the United Student of Ireland (USI) Student Achievement Awards 2021.
- Young people studying a range of subjects at NWRC scooped a number of awards at the 2021 Project Based Learning (PBL) awards – including the Sectoral award for Innovation.
- The Head of Quality Enhancement at NWRC, Karen Moore, was awarded an MBE in the Queen's Birthday Honours for her services to education during the past 30 years.
- NWRC showcased a unique 360° audio-visual production made for dome projection, the first of its kind in Northern Ireland. Psychlorama, screened in the College's Strand Road campus, is a 30-minute, four-part experimental piece incorporating hugely inventive visuals and electronic music.
- NWRC was named Provider of the Year at the 2021 OCN Learner Awards, recognising the difference the College has made to the lives of local learners, the local community and the economy over the past 12 months.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Risk Management

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management which is designed to protect the College's assets and reputation.

The Risk Management Group undertakes a comprehensive review of the risks to which the College is exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the College. The internal controls are then implemented and the subsequent appraisals will review their effectiveness and progress against risk mitigation actions. In addition to such reviews, the Risk Management Group will also consider any risks which may arise as a result of a new area of work being undertaken by the College.

A risk register is maintained at the College level which is reviewed by the Audit and Risk Committee. This is reviewed twice per year and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system.

Main Risks

Student Enrolments and Funding

Given the pressures on the wider public finances, cuts to the block grant in the coming years must be considered. The allocation for 2021/22 is in line with 2020/21, however there are indications that funding in subsequent years will be reduced. In addition the risk of continued reduced enrolments across the FE sector has increased due to demographics, competition from schools offering curriculum that historically sat within FE colleges and more recently the impact of grade inflation .

COVID

COVID has already profoundly impacted on how we operate in the College. The health and safety of our staff and students has always been paramount however this has increased significantly since March 2020. The full impact on College business, including enrolments is becoming clearer. Changes to working practices including teaching methods have been reviewed and subsequently adjusted where necessary. Significant additional health and safety practices have now been implemented.

Additional funding may be allocated to Colleges in the short term but the massive government expenditure to manage the impact of COVID in recent months is likely to have major impacts on public spending in future years.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Stakeholder Relationships

In line with other Colleges and with universities, North West Regional College has many stakeholders. These include:

- Students;
- Staff;
- Department for the Economy;
- Other Government departments;
- Local employers;
- Local Councils;
- Local Strategy Partnerships;
- Local Enterprise Agencies;
- Other FE Colleges;
- Post-Primary Schools;
- Trade Unions;
- The local community;
- Professional Bodies;
- Invest NI;
- Ulster University;
- Queen's University Belfast;
- Letterkenny Institute of Technology;
- Donegal Education and Training Services.

The College recognises the importance of these relationships and engages in regular communication with them.

The College considers good communication with its staff to be very important and regular meetings are held. The College encourages staff and student involvement through various means such as membership of the Governing Body.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Equality of Opportunity and Employment of Disabled Persons

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

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

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

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

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Disability Statement

The College is committed to the provision of high quality education and training for the community it serves. The College welcomes applications from students with disabilities. All reasonable efforts to meet individual students' needs will be made through teaching support, student services and the learning support service.

In carrying out the principal roles and functions, the College will endeavour to promote equality of opportunity among those with disabilities in accordance with Section 75 of the NI Act 1998. In addition, the College will ensure the obligation in accordance with the Disability Discrimination Act 1995 will be adhered to and reasonable adjustment considered where necessary.

The College also takes account of the Special Educational Needs and Disability Order 2005 (SENDO).

The College has a detailed Disability Action Plan which covers the following areas:

- Encourage students with a disability to participate more fully in College life.
- Increase awareness of specific barriers faced by people with a disability including through linking in with National Awareness days or weeks.
- Promote the use of AccessAble website to encourage participation of prospective students.
- Create an open and inclusive workplace culture which displays respect for those with mental ill health.
- Explore the scope of offering meaningful placements and work shadowing and volunteering for people with a disability.
- Introduce training for front line staff on disability etiquette and relevant legislation dealing with disability and the provision of goods, facilities and services.
- Consider development of a (Sectoral) Disability Advisory Group that could involve staff and students.
- Increase number of students with a disability entering the College.
- Monitor and review the progress of the Disability Action Plan.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2021

Disclosure of Information to Auditors

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

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

Personal Data Related Incidents

There was no data related incidents reported to the Information Commissioner's Office (ICO) during the academic year.

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.

Professional Advisers

External Auditors: Comptroller and Auditor General for Northern Ireland
Northern Ireland Audit Office
1 Bradford Court
Upper Galwally
Belfast
BT8 6RB

Internal Auditors: RSM
Number One
Lanyon Quay
Belfast
BT1 3LG

Bankers: Danske Bank
Corporate Banking
P.O. Box 183
Donegall Square West
Belfast
BT1 6JS

**NORTH WEST REGIONAL COLLEGE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2021**

Members

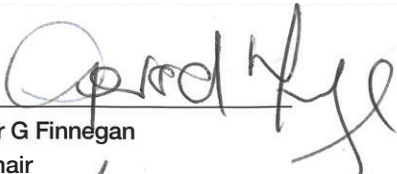
The members who served the Governing Body during the year to 31 July 2021 were as follows:

NAME	DATE OF LAST APPOINTMENT/ EXTENSION TO APPOINTMENT	TERM OF OFFICE	DATE OF RESIGNATION/ APPOINTMENT ENDED	STATUS OF APPOINTMENT	COMMITTEES SERVED	GOVERNING BODY ATTENDANCE. 7 MEETINGS HELD 2020/21
Ms M Breslin	21/07/2020	4 yrs		Staff Member	AC	7
Mr P Canavan	01/07/2019	4 yrs		Member	AC, EC	7
Mrs R Dougherty	15/06/2020	4 yrs		Member	EC, RC	7
Mr D Ferns	09/12/2020	1 year*	11/06/2021	Student Member	EC	3(3)
Mr G Finnegan	01/07/2019	4 yrs		Chair		7
Mr S Gillespie	24/01/2020	4 yrs		Co-opted	AC	7
Dr N Hand	01/07/2021	6 mths**		Member	EC, RC	6(7)
Mr G Killeen	01/08/2021	5 mths**		Vice Chair	AC, EC	7
Mr S McGregor	01/08/2021	5 mths**		Member	EC, RC	5(7)
Mr L Murphy	05/05/2014	***		Principal & CEO	EC, RC	7
Mr M O'Kane	01/08/2021	5 mths**		Member	EC	7
Prof M O'Neill	11/06/2021	4 yrs		Co-opted	AC, EC	7
Mr B Quinn	01/08/2019	4 yrs		Member	RC	6(7)
Mrs L Taggart	26/01/2018	4 yrs		Staff Member	AC, EC	3(4)

- AC - Audit and Risk Committee
- EC - Education Committee
- RC - Resources Committee

- * - Term of Office completes on 30/09/2021 or until the date on which he ceases to be a student at the College, whichever first occurs.
- ** - Extension to appointment - interim arrangement
- *** - The Principal is a member of the Governing Body while he holds the office of Principal.
- () - Number of meetings members eligible to attend

For and on behalf of the members of the Governing Body


Mr G Finnegan
Chair

15th November 2021
Date


Mr L Murphy
Accounting Officer

15th November 2021
Date

Remuneration Report

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT FOR THE YEAR ENDED 31 JULY 2021

Members of the Governing Body

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

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

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

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

	2020/21		2019/20	
	Salary and Allowances £'000	Benefits in Kind £'000	Salary and Allowances £'000	Benefits in Kind £'000
Mr G Finnegan (Chair)	20-25	-	20-25	-
Mr G Killeen	0-5	-	0-5	-
Mr S McGregor	0-5	-	0-5	-
Mr M O'Kane	0-5	-	0-5	-
Mr P Canavan*	0	-	0	-
Mr S Gillespie*	0	-	0	-
Mrs C McFarland* ¹	0	-	0	-
Mr B Quinn	0-5	-	0-5	-
Ms R Dougherty	0-5	-	0-5	-
Mr E Kelly ²	0	-	0-5	-
Mr N Hand	0-5	-	0-5	-
Prof M O'Neill	0-5	-	0-5	-
Mr D Ferns ³	0-5	-	0	-

* Members who have chosen not to claim remuneration

² Member's appointment ended 12/06/2020

¹ Member's appointment ended 14/05/2020

³ Member's appointment commenced 09/12/2020

The Principal & Chief Executive and Senior Management Team

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

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

Minimum pay levels

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

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT FOR THE YEAR ENDED 31 JULY 2021

Progression

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

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

Performance Pay

There is no performance pay or related scheme for any Director.

Total reward package

Senior staff within Colleges have access to either the Northern Ireland Teachers' Pension Scheme (NITPS) or Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC).

Senior staff posts are based on 36 hours per week and post holders have access to the Colleges' Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and Flexible Working arrangements.

All Senior Staff have 35 days holiday entitlement and a further twelve statutory and public holidays as recognised by the sector.

Service contracts

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

**NORTH WEST REGIONAL COLLEGE
REMUNERATION REPORT CONT'D
FOR THE YEAR ENDED 31 JULY 2021**

Salary and pension entitlements

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

Remuneration (Audited)

Senior Management	2020/21				2019/20			
	Salary £'000	Benefits in kind £	Pension benefits £'000*	Total £'000	Salary £'000	Benefits in kind £	Pension benefits £'000	Total £'000
Mr L Murphy Principal & Chief Executive	115-120	Nil	29	145-150	125-130	Nil	31	155-160
Mrs K Duffy Director of HR & Learner Services (left 31st October 2019)	N/A	N/A	N/A	N/A	25-30	Nil	6	30-35
Mr P McKeown Director of Finance & Economic Engagement	85-90	Nil	17	100-105	90-95	Nil	18	105-110
Mrs D McElwee Full Year Equiv. Acting Vice Principal of Curriculum & IS – (from May 2019 – Left 31st March 2020)	N/A	N/A	N/A	N/A	50-55	Nil	10-15	65-70

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

Senior staff were awarded a payrise of 1% from September 2019 which was paid in January 2021.

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

	2020/21	2019/20
	£'000	£'000
Band of highest paid directors total remuneration	115-120	110-115
Median total remuneration	25,915	25,295
Ratio	4.5	4.5

**NORTH WEST REGIONAL COLLEGE
REMUNERATION REPORT CONT'D
FOR THE YEAR ENDED 31 JULY 2021**

Salary

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

Benefits in kind

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

Pension Entitlements (Audited)

Senior Management	Accrued pension at pension age as at 31/7/21 and related lump sum	Real increase in pension and related lump sum at pension age £'000	CETV at 31/7/21 £'000	CETV at 31/7/20 £'000	Real increase in CETV £'000
Mr L Murphy, Principal & Chief Executive	45-50	0-2.5	1,108	1,045	63
	Plus lump sum of 135-140	Plus lump sum of 7.5-10			
Mr P McKeown, Director of Finance & Economic Engagement	30-35	0-2.5	534	501	23
	Plus lump sum of 35-40	Plus lump sum of 0-2.5			

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT CONT'D FOR THE YEAR ENDED 31 JULY 2021

Pension arrangements

Retirement benefits to employees of the College are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC). These are defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme (SERPS).

Contributions to the NITPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. The NITPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme which was set up to facilitate Automatic Enrolment as part of the workplace pension reforms under the Pensions Act 2008. The NEST Scheme is run by NEST Corporation which is a non-departmental public body that is accountable to Parliament through the Department for Work & Pensions.

There have been no enhanced pension benefits paid to any senior post holders in the College.

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. CETVs 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.

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT CONT'D FOR THE YEAR ENDED 31 JULY 2021

Real increase in CETV

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

Exit Packages

There were no exit packages paid in the year ended 31 July 2021.



**Statement Of The
Responsibilities Of
The Accounting Officer
& Governing Body**

NORTH WEST REGIONAL COLLEGE STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER & GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2021

Under the Further Education (NI) Order 1997, DfE (with approval from 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.

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

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

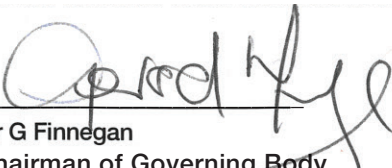
The Governing Body is also required to prepare an Annual Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

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

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

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

Approved by order of the Governing Body members on __ November 2021 and signed on its behalf by:


Mr G Finnegan
Chairman of Governing Body

15th November 2021

**Statement
Of Corporate
Governance And
Internal Control**

NORTH WEST REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2021

The following statement is given to assist readers of the financial statements to obtain an understanding of the Governance procedures applied by the Governing Body of the College.

The College is an incorporated body established under the Further Education (Northern Ireland) Order 1997. Like most public bodies it operates within a strong framework of regulation. Not only does the College comply with all mandatory requirements but it also strives to operate that guidance which represents best practice. The Board operates within the corporate governance code.

SUMMARY OF THE COLLEGE'S STRUCTURE OF CORPORATE GOVERNANCE

Governing Body

The College's Governing Body is comprised of members appointed by the Minister for the Department for the Economy, staff and students of the College, the Principal & Chief Executive and members co-opted by the Governing Body. The role of the Chairman of the Governing Body is separate from the role of the College Principal & Chief Executive. The Governing Body is responsible for the on-going strategic direction of the College whilst the Executive Officers are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met seven times during the 2020/21 academic year. The Governing Body is supported by three Committees; an Audit and Risk Committee, an Education Committee and a Resources Committee. All of these Committees are formally constituted with Terms of Reference and comprise mainly of members of the Governing Body.

At present the Board receives standing information for each meeting on key areas such as Finance, Human Resources and Performance. Briefing papers on other material issues are provided as they arise. The College aims to have all papers issued a week in advance of any Board meeting to allow members to review and where appropriate, to raise questions in advance. The relevant business area can then be requested to attend, support discussions or be required to produce more detailed information in advance of the meeting.

All statistical and financial information is provided by professional qualified teams within the College. For example, all financial information is prepared and provided by the Management Accountant and the Director of Finance and Economic Engagement and is in accordance with the Financial Memorandum, Managing Public Money NI and relevant guidance from the Department for the Economy and the Department of Finance. Accordingly, the Board considers that it can take assurance as to the quality of the data it uses to inform decision making.

Full Minutes of Governing Body meetings are available from the Governance Secretary or on the College website. The Governance Secretary maintains a register of financial and personal interests of the Governing Body members and this is available for inspection.

NORTH WEST REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2021

Governing Body Evaluation

I consider that the Governing Body operated effectively during 2020/21, fulfilling its role as set out above.

A Governing Body Self-Assessment facilitated by the FE Corporate Governance & Accountability Branch of the Department for the Economy for the year 1 August 2020 to 31 July 2021 is ongoing. The outcome of the 2019/20 assessment provided the Governing Body with an opportunity to obtain feedback on how they operate, as well as benchmark themselves against other Governing Bodies in the Sector. In summary, the outcome for 2019/20 evaluation was favourable and demonstrated that the Governing Body operated effectively and that sound processes were in place to ensure robust monitoring of the North West Regional College and its performance. The percentage of respondents who agreed/strongly agreed with each of the themes within the questionnaire ranged from 98.5% to 100%.

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It provides a channel of communication from the College's auditors, which is not controlled by College management. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met four times during the 2020/21 academic year to discuss reports from the External and Internal Auditors and the relevant responses. It also receives and considers reports from the DfE. It reviews the College's annual Financial Statements to ensure compliance with legislation and accounting standards. Whilst Executive Officers and other officials attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee. The Committee can meet with auditors on their own for independent discussions. The Chair of the Committee provides a report of Committee meetings to the Governing Body in support of the Minutes which are formally adopted by the Governing Body. It has formally agreed Terms of Reference, which are reviewed on an annual basis.

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 socio-economic needs of the community the College seeks to serve. The Committee also monitors the standard of education and training provision by reviewing KPIs along with the Whole College Self-Evaluation and Quality Improvement Plans. The Committee has formally agreed Terms of Reference which are reviewed on a biennial basis.

The Chair of the Committee provides a report of Committee meetings to the Governing Body in support of the Minutes, which are formally adopted by the Governing Body. The Committee met four times during the 2020//21 academic year.

Resources Committee

The Finance and General purposes Committee and the Staffing Committee amalgamated in September 2019 as the Resources Committee. This Committee supervises all matters relating to the finance and accounts of the College and the receipt of its income and the expenditure. It also supervises matters of estates. The Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior staff. It monitors the provision of HR Services and Safeguarding. The Committee receives regular reports to assess and ensure compliance with legislation. Due to the Colleges desire to monitor IIP the Committee monitors in particular activity relating to the IIP Standards which represent the standards for people management. The Committee has formally agreed Terms of Reference, which are reviewed on a biennial basis. The Chair of the Committee provides a report of Committee meetings to the Governing Body in support of the Minutes which are formally adopted by the Governing Body. The Committee met four times during the 2020/21 academic year.

For Membership and Attendance of Committees see table on page 26.

NORTH WEST REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2021

Senior Management Team

The Principal & Chief Executive attends all Governing Body meetings and sub-committee meetings. The Director of Finance & Economic Engagement attends all Audit & Risk Committee and Resources Committee meetings. The HR Manager attends the Resources Committee – Staffing Business section of the meeting. The Head of Curriculum and Operations attends all Education Committee meetings.

The Governing Body are satisfied with the quality and content of the information provided by management.

External Audit

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

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

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

A representative from the External Auditors normally attends the North West Regional College's Audit and Risk Committee meetings.

Internal Control Processes

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

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify the risks to the achievement of College policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 July 2021 and up to the date of approval of the annual report and accords with Department of Finance guidance. I have fully embedded the processes which the Department for the Economy has agreed should be established and confirmed their robustness.

I have implemented appropriate procedures to ensure that I have identified the College's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership is allocated to the appropriate staff and the College has set out its attitude to risk to the achievement of the College objectives. Staff are trained and equipped to manage risk in a way appropriate to their authorities and duties. I am not aware of any lapses of security during the year.

The College receives periodic reports concerning internal control and steps are taken to manage risks in significant areas of responsibility and monitor progress on key projects. The Audit & Risk Committee has lead responsibility for the periodic review of the risk framework and other records of risk. Management of risk categories has been allocated appropriately within the College. Any revision to the framework is discussed within the Audit & Risk Committee and recommended to the Governing Body. The Audit & Risk Committee reviews the Annual Report and Accounts, and the ensuing Report to those charged with Governance presented by external audit.

NORTH WEST REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2021

The College maintains registers for related party transactions in order to ensure opportunities for conflicts of interest are avoided. These registers are maintained centrally and updated regularly and includes all members of the Governing Body, the Senior Management Team and middle management.

The College has appropriate Whistle Blowing and Fraud Policies in place which are reviewed and updated periodically. The College also participates in the biennial National Fraud Initiative (NFI) exercise.

Procedures are in place for verifying that aspects of risk management and internal controls are regularly reviewed and reported on. Risks are fully reviewed bi-annually and individual risk scores may change. In September 2020 and February 2021 all risks were reviewed and updated to reflect the impact of COVID. As at May 2021 there were four high risks. – Impact of Reduced Enrolment Numbers, Compliance with Work Based Learning Regulations & Procedure, Risk of CPD & PD Processes – including implications of resource shortfall, achieving value for money and statutory compliance and impact on Curriculum and COVID.

Risks are reported to and discussed at the Audit & Risk subcommittee of the Governing Body. Risk management has been incorporated fully into the corporate planning and decision making processes of the College. The appropriate steps have been taken to manage risks in significant areas of responsibility and progress on key projects has been monitored.

In addition to the actions mentioned above, in the coming year the College plans to:

- regularly review and update the record of risks facing the organisation;
- maintain the system of key performance and risk indicators; and
- maintain the organisation-wide risk register.

The College has an internal audit service, the work of which concentrates on areas of key activities determined by an analysis of the areas of greatest risk and in accordance with the annual Internal Audit Plan approved by the Governing Body. The Internal Auditors report to the Accounting Officer and to the Audit and Risk Committee on a regular basis and have direct access to the Governing Body and to the Chair of the Audit and Risk Committee.

The College's Internal Auditors have reported that based on the Internal Audit work which they have performed during the year, for the 12 months ended 31 July 2021, they can provide satisfactory assurance over the governance, risk management and control of the College.

It is my view as the Accounting Officer that the College has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. The review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the College, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their Report to those Charged with Governance. As a result of my overall review of the effectiveness of the system of internal control, including risk management, I am content that no significant weaknesses have been identified. This has been confirmed by the Internal Auditors in their Annual Statement of Assurance.


Mr L Murphy
Accounting Officer

15th November 2021

Date



**The Certificate
And Report Of The
Comptroller And
Auditor General To
The Northern Ireland
Assembly**

NORTH WEST REGIONAL COLLEGE THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the North West Regional College for the year ended 31 July 2021 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: Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes, including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In my opinion the financial statements:

- give a true and fair view of the state of the North West Regional College's affairs as at 31 July 2021 and of its deficit the year then ended;
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects the 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 of Public Sector Entities 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 North West Regional College in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2019, 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 North West 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 the North West 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 North West 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.

NORTH WEST REGIONAL COLLEGE THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Report 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;
- 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 Northern West 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 North West Regional College will not continue to be provided in the future.

NORTH WEST REGIONAL COLLEGE

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the North West Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Health and Safety Legislation, the Companies Act 2006, the Fair Employment (Northern Ireland) Act 1989 and relevant tax laws;
- making enquires of management and those charged with governance on North West 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 North West 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 following areas: revenue recognition, expenditure recognition, posting of unusual journals and unreasonable management estimates;
- 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 and queries of management and those charged with governance; and
- 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.

NORTH WEST REGIONAL COLLEGE THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

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.



KJ Donnelly
Comptroller and Auditor General Northern Ireland Audit Office
1 Bradford Court Galwally BELFAST
BT8 6RB

18th November 2021

**Statement Of
Comprehensive
Income &
Expenditure**

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME & EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2021**

	Notes	2021 £'000	2020 £'000
Income			
Department for the Economy Grants	1	34,012	30,005
Education contracts	2	2,773	3,081
Tuition fees and charges	3	1,849	2,092
Other grant income	4	793	886
Other operating income	5	989	1,183
Investment income	6	-	8
Total income		<u>40,416</u>	<u>37,255</u>
Expenditure			
Staff costs	7	27,318	24,862
Other operating expenses	9	12,000	10,785
Depreciation	12 & 13	3,492	3,399
Interest and other finance costs	10	1,038	973
Total expenditure		<u>43,848</u>	<u>40,019</u>
Deficit before other gains/losses and exceptional items		(3,432)	(2,764)
Gain on disposal of assets		22	-
Exceptional Holiday pay provision	18	246	(1,225)
Deficit before tax		<u>(3,164)</u>	<u>(3,989)</u>
Taxation	11	-	-
Deficit for the year		(3,164)	(3,989)
Unrealised surplus/(deficit) on revaluation of Land & Buildings		631	(135)
Actuarial gain/(loss) in respect of pension scheme		5,802	(12,590)
Total comprehensive income/(expenditure) for the year		<u>3,269</u>	<u>(16,714)</u>
Represented by:			
Unrestricted comprehensive income/(expenditure) for the year		982	(1,097)
Pension Reserve comprehensive income/(expenditure) for the year		2,840	(14,181)
Revaluation Reserve Comprehensive expenditure for year		(553)	(1,436)
		<u>3,269</u>	<u>(16,714)</u>

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.

Statement Of Changes In Reserves

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2021**

	Unrestricted Reserves	Pension Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2019	3,140	(7,334)	39,217	35,023
Deficit from income and expenditure account	(2,398)	(1,591)	-	(3,989)
Other comprehensive expenditure	-	(12,590)	(135)	(12,725)
Transfers between revaluation and income and expenditure account	1,301	-	(1,301)	-
Release of restricted funds spent in year	-	-	-	-
Balance at 1 August 2020	2,043	(21,515)	37,781	18,309
Deficit from income and expenditure statement	(202)	(2,962)	-	(3,164)
Other comprehensive income/ (expenditure)	-	5,802	631	6,433
Transfers between revaluation and income and expenditure account	1,184	-	(1,184)	-
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income/ (expenditure) for the year	982	2,840	(553)	3,269
Balance at 31 July 2021	3,025	(18,675)	37,228	21,578

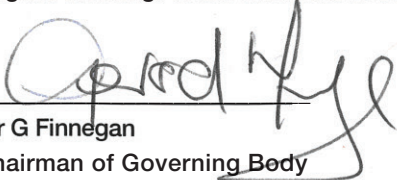
The accompanying accounting policies and notes form an integral part of these financial statements.

**Statement of
Financial Position
as at
31 July 2021**

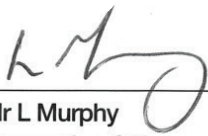
NORTH WEST REGIONAL COLLEGE STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	Notes	2021 £'000	2020 £'000
Non Current Assets			
Tangible fixed assets	12	79,719	80,751
Intangible assets	13	406	411
		80,125	81,162
Current Assets			
Trade & Other Receivables	15	3,431	2,838
Cash & Cash Equivalents	19	5,784	4,960
Total current assets		9,215	7,798
Less: Creditors: amounts falling due within one year	16	(11,373)	(9,787)
Net current liabilities		(2,158)	(1,989)
Total assets less current liabilities		77,967	79,173
Less: Creditors: amounts falling due after more than one year	17	(36,735)	(38,124)
		41,232	41,049
Provisions			
Holiday Pay Provision	18	(979)	(1,225)
Pension Provision	20	(18,675)	(21,515)
Net Assets including pension liability		21,578	18,309
Unrestricted Reserves			
Income and expenditure reserve		3,025	2,043
Pension Reserve		(18,675)	(21,515)
Revaluation Reserve		37,228	37,781
TOTAL		21,578	18,309

The financial statements on pages 48 to 88 were approved by the Governing Body of the North West Regional College on 15th November 2021 and were signed on its behalf by:



 Mr G Finnegan
 Chairman of Governing Body
 North West Regional College



 Mr L Murphy
 Accounting Officer
 North West Regional College

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

**Statement Of Cash
Flows
For The Year Ended
31 July 2021**

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2021**

	Notes	2021 £'000	2020 £'000
Cash outflow from operating activities			
Deficit for the year		(3,164)	(3,989)
Adjustment for non-cash items			
Depreciation	12 & 13	3,492	3,399
(Increase)/Decrease in debtors		(1,019)	903
Increase/(Decrease) in creditors		1,352	(687)
NILGOSC FRS 102 (28) Pension Adjustment		2,962	1,591
Movement in Holiday Pay Provision		(246)	1,225
Adjustment for investing or financing activities			
Interest Receivable	6	-	(8)
Interest payable	10	746	828
Deferred Capital Grants release	1	(1,901)	(1,670)
Net cash inflow from operating activities		2,222	1,592
Cash flows from investing activities			
Investment interest		-	13
Proceeds from sale of assets		22	-
Payments made to acquire fixed assets		(1,574)	(4,456)
Capital Grants Received		1,995	5,220
		443	777
Cash outflows from financing activities			
Interest element of finance lease and service concession payments	10	(746)	(828)
Capital element from lease		(1,095)	(978)
		(1,841)	(1,806)
Increase in cash and cash equivalents in the year	19	824	563
Net funds at 1 August 2020		4,960	4,397
Net funds at 31 July 2021		5,784	4,960

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

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

**Statement
of Principal
Accounting Policies
and Estimation
Techniques**

NORTH WEST REGIONAL COLLEGE STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2021

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 a going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 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 of FRS102.

The Financial Statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their re-valued amounts. They also conform to the Accounts Direction issued by the 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.

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's forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future.

COVID is having an impact on how we operate in the College. Additional funding may be allocated to Colleges from DfE to manage this impact.

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

NORTH WEST REGIONAL COLLEGE STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2021

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

Other Capital Grants

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

Capital Grants (land grants)

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

NORTH WEST REGIONAL COLLEGE

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2021

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. National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme which was set up to facilitate Automatic Enrolment as part of the workplace pension reforms under the Pensions Act 2008.

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 contributions 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.

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), as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the re-valued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the Statement of Financial Position at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of between 11 and 50 years. The depreciation charge on buildings is based on the opening net book value. Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis which is consistent with the depreciation policy.

NORTH WEST REGIONAL COLLEGE STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2021

- **Assets other than land and buildings**

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. All other assets are capitalised at cost.

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

Computers	- three years
Motor vehicles	- four years
Plant and Equipment	- five years
Fixture and Fittings	- six years
Other PFI assets	- various

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

Private Finance Initiative

Where it is concluded that the College has an asset of the property and therefore a liability to pay for it, these are recorded on the Statement of Financial Position. The initial amount recorded for each is the fair value of the property or if lower, the present value of the minimum lease payments determined at the inception of the lease. Subsequently, the asset is depreciated over its useful economic life. Payments are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

The College recognises the property when it comes into use, unless it bears significant construction risk, in this case the property is recognised as it is constructed.

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 substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and are 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.

NORTH WEST REGIONAL COLLEGE STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES FOR THE YEAR ENDED 31 JULY 2021

Investment Property

Fixed asset investments are measured at fair value with any changes in fair value being recognised immediately in the Statement of Comprehensive Income and Expenditure.

Intangible Assets

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

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. The formula used to calculate the partial exemption rate is based on a method approved by HMRC.

Liquid Resources

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

Provisions

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

Agency Arrangements

The College acts as an agent in the collection and payment of Hardship Funds and Care to Learn. Related payments received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Income and Expenditure and are shown separately in Note 27, except for Hardship Funds received which are available to the College to cover administration costs relating to the grant. The College employs 1.75 members of staff dedicated to the administration of the Hardship fund applications and payments.

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES
FOR THE YEAR ENDED 31 JULY 2021**

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 accounting policy note.

The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 20.

Property, Plant and Equipment

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

Freehold buildings are depreciated over their expected useful economic life to the College as advised by the LPS.

All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value.

A change in depreciable life is treated as a change in accounting estimate.

Notes to the Financial Statements

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

1. DEPARTMENT FOR THE ECONOMY INCOME

	2021	2020
	£'000	£'000
Grant in Aid Received from DfE		
Recurrent grant	27,332	24,181
Release of deferred capital grant	1,901	1,670
Skills Focus	442	371
Minor Works	108	65
Employer Support Program	329	352
Private Finance Initiative (PFI)	1,612	1,589
Additional Support Funds	398	450
	<hr/>	<hr/>
Grant In Aid Items	32,122	28,678
	<hr/>	<hr/>
Non-Grant in Aid received from DfE		
Educational Maintenance Allowance Administration	19	12
Higher Level Apprenticeships	252	248
Skills Intervention Funding	533	-
Academies	99	68
College Connect	120	89
FE Systems, Technology & Services Project	742	752
Welding Academy	46	-
Traineeship Project	-	65
Curriculum Hub – Health & Social Care	37	62
Other	42	31
Non-grant in Aid Items	1,890	1,327
	<hr/>	<hr/>
Total DfE income	34,012	30,005
	<hr/>	<hr/>

NORTH WEST REGIONAL COLLEGE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

2. EDUCATION CONTRACTS	2021	2020
	£'000	£'000
Entitlement Framework	419	489
Training for Success	2,354	2,592
Total	2,773	3,081

3. TUITION FEES AND CHARGES	2021	2020
	£'000	£'000
Higher Education (HE) Income	1,375	1,352
Further Education (FE) Income	474	740
Total	1,849	2,092

Included within the above amounts are amounts which fund bursaries of £59k (2020: £84k)

4. OTHER GRANT INCOME	2021	2020
	£'000	£'000
European Funds	34	166
Other Funds	759	720
Total	793	886

5. OTHER OPERATING INCOME	2021	2020
	£'000	£'000
Catering and residence operations	24	174
Other income generating activities	905	940
Other income	60	69
Total	989	1,183

6. INVESTMENT INCOME	2021	2020
	£'000	£'000
Other interest receivable	-	8
Total	-	8

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

7. STAFF COSTS

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

	2021	2020
	Number	Number
Teaching	323	316
Support	72	69
Administration	186	170
Premises	24	21
	<hr/>	<hr/>
Total	605	576

Staff costs for the above persons:	2021	2020
	£'000	£'000
Teaching	14,745	14,039
Support	2,287	2,134
Administration	6,876	6,602
Premises	740	641
FRS 17 Adjustment(see Note 20)	2,670	1,446
	<hr/>	<hr/>
	27,318	24,862
Voluntary Exit Scheme Costs	-	-
	<hr/>	<hr/>
Total	27,318	24,862

	2021	2020
	£'000	£'000
Wages and salaries	18,875	18,055
Social security costs	1,781	1,666
Movement in Pension	2,670	1,446
Other pension costs	3,992	3,695
	<hr/>	<hr/>
	27,318	24,862
Voluntary Exit Scheme Costs	-	-
	<hr/>	<hr/>
Total	27,318	24,862

NORTH WEST REGIONAL COLLEGE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

7. STAFF COSTS (continued)

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

	Senior Post-holders		Other Staff	
	2021 No.	2020 No.	2021 No.	2020 No.
£60,001 to £70,000	-	1	11	18
£70,001 to £80,000	-	-	4	5
£80,001 to £90,000	-	-	-	-
£90,001 to £100,000	-	-	-	-
£100,001 to £110,000	1	-	-	-
£110,001 to £120,000	-	1	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	-	-	-	-
£140,001 to £150,000	1	-	-	-
£150,001 to £160,000	-	1	-	-
	2	3	15	23

Support staff were awarded a 2.75% payrise from April 2020 in November 2020. Lecturing staff were not awarded a payrise during the year.

8. SENIOR POST-HOLDERS' EMOLUMENTS

Senior post holders are defined as the Principal & Chief Executive and holders of the other senior posts whom the Governing Body has selected for the purposes of the articles of government of the College relating to appointment and promotion of staff who are appointed by the Governing Body. Senior Post Holders do not, for the purposes of this note, include remunerated non-executive Governing Body members.

	2021 Number	2020 Number
The number of senior post-holders including the Principal & Chief Executive who served during the year was:	2	4

Kate Duffy left in October 2019 and Dorothy McElwee left in March 2020.

	2021 £'000	2020 £'000
Senior post-holders' emoluments are made up as follows:		
Salaries	202	297
Pension contributions	46	68
Total Emoluments	248	365

Senior staff were awarded a payrises of 1% from September 2019 which was paid in January 2021.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

8. SENIOR POST-HOLDERS' EMOLUMENTS (continued)

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

	2021	2020
	£'000	£'000
Salaries	117	125
Benefits in kind	-	-
	<u>117</u>	<u>125</u>
Pension contributions	<u>29</u>	<u>31</u>
Total	<u>146</u>	<u>156</u>

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

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

9. OTHER OPERATING EXPENSES

	2021	2020
	£'000	£'000
Direct Teaching	650	608
Direct Support	2,375	2,324
Administration	2,546	2,318
Premises	4,966	4,084
Unitary payments under PFI contract	1,463	1,451
	<u>12,000</u>	<u>10,785</u>
Interest and Other Finance Costs	292	145
Interest element of Finance Lease	<u>746</u>	<u>828</u>
Total	<u>13,038</u>	<u>11,758</u>

Other operating expenses include:

Auditors' remuneration		
- external audit	24	24
- internal audit	20	10
Remuneration of Governing Body members	40	44
Hire of other assets-operating leases	35	35
	<u>119</u>	<u>109</u>

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

	2021	2020
	£'000	£'000
10. INTEREST AND OTHER FINANCE COSTS		
On finance leases	746	828
Net charge on pension scheme	<u>292</u>	<u>145</u>
Total	<u>1,038</u>	<u>973</u>

11. TAXATION

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

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings	PFI Assets	Plant & Equipment	Computers	Fixtures & Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Cost or valuation</u>							
At 1 August 2020	68,732	12,709	5,055	2,688	374	188	89,746
Additions	219	320	859	412	-	-	1,810
Revaluations	545	86	-	-	-	-	631
Disposals	-	-	(30)	-	-	(103)	(133)
At 31 July 2021	69,496	13,115	5,884	3,100	374	85	92,054
<u>Depreciation</u>							
At 1 August 2020	-	2,139	3,854	2,509	309	184	8,995
Charge for the year	2,274	493	523	168	11	4	3,473
Disposals	-	-	(30)	-	-	(103)	(133)
At 31 July 2021	2,274	2,632	4,347	2,677	320	85	12,335
Net Book Value							
At 31 July 2021	67,222	10,483	1,537	423	54	-	79,719
Net Book Value							
At 31 July 2020	68,732	10,570	1,201	179	65	4	80,751

Land and buildings were subject to a full revaluation in July 2020 on a depreciated replacement cost basis. The valuations were performed independently by Land and Property Services.

LPS have advised that the outbreak of the COVID, declared by the World Health Organisation as a "Global Pandemic" on 11th March 2020, has impacted global financial markets. As a consequence LPS have reported that as at the valuation date, they consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The valuation of the College estate is reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Global Standards. Consequently, less certainty – and a higher degree of caution – should be attached to them than would normally be the case.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

12. TANGIBLE FIXED ASSETS (Continued)

	2021	2020
	£'000	£'000
The depreciation charge for the year is analysed as follows:		
Owned assets	2,980	2,887
PFI assets	493	512
	<hr/>	<hr/>
	3,473	3,399
	<hr/>	<hr/>

13. INTANGIBLE FIXED ASSETS

	Asset Under Construction	Learner Management System	Total
	£'000	£'000	£'000
Cost or valuation			
At 1 August 2020	411	-	411
Additions	14	-	14
Transfer	(425)	425	-
	<hr/>	<hr/>	<hr/>
	-	425	425
Amortisation			
At 1 August 2020	-	-	-
Charge for the year	-	19	19
	<hr/>	<hr/>	<hr/>
	-	19	19
Net book value at 31 July 2021	<hr/>	<hr/>	<hr/>
	-	406	406
Net book value at 31 July 2020	<hr/>	<hr/>	<hr/>
	411	-	411

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland of which North West Regional College is the lead College. The asset is a Learner Management System that is operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department of the Economy - the College pays all the invoices and claims funding from DfE. Each College then shows one sixth of the cost in their financial statements.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

14. SERVICE CONCESSION ARRANGEMENTS

The College has 1 on Statement of Financial Position PFI arrangement where service delivery has commenced.

Movement in service concession arrangement assets

The asset value of the service concession included in the Statement of Financial Position as at 31 July 2021 is £10,483k (2020: £10,570k). See Note 12.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2021 were £4,887k (2020: £5,662k). The sum of £775k was repaid during the year.

Future Commitments

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

	Payable in 1 Year £'000	Payable 2-5 years £'000	Payable 6- 10 years £'000	Total £'000
Liability repayments	1,269	5,982	-	7,251
Finance charge	609	895	-	1,504
Service charge	1,478	5,304	-	6,782
	3,356	12,181	-	15,537

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

15. TRADE & OTHER RECEIVABLES

	2021	2020
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	403	58
Other receivables	167	251
Prepayments and accrued income	2,741	2,379
	<hr/>	<hr/>
Total	3,311	2,688
Amounts falling due after one year:		
Surplus land receivable arising on PFI contract*	120	150
	<hr/>	<hr/>
Total Receivables	3,431	2,838

**The value of the surplus land given to the PFI operator as part of the contract is estimated at £750,000. It is assumed that the surplus land debtor is being recovered over the period of the PFI contract of 25 years (£30,000 per annum).*

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

16. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN 1 YEAR

	2021	2020
	£'000	£'000
Service concession arrangements	1,269	1,096
Trade creditors	841	774
Taxation and social security	725	586
Accruals and deferred income	8,538	7,331
	<u>11,373</u>	<u>9,787</u>

Deferred income

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

	2021	2020
	£'000	£'000
Grant income	2,252	1,569
Other income	776	423
Total	<u>3,028</u>	<u>1,992</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR:

	2021	2020
	£'000	£'000
Deferred income	33,117	33,558
Service concession liabilities due after one year	3,618	4,566
	<u>36,735</u>	<u>38,124</u>
Total Creditors after one year	<u>36,735</u>	<u>38,124</u>

NORTH WEST REGIONAL COLLEGE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

18. PROVISIONS FOR LIABILITIES AND CHARGES

	2021	2020
	£'000	£'000
At 1 st August 2020	1,225	-
Additions in year	-	1,225
Amounts charged against provision during year	-	-
Unused amounts reversed in year	(246)	-
At 31st July 2021	979	1,225

The provision relates to Holiday Pay 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 has appealed the CoA judgment to the Supreme Court, however due to delays in relation to the COVID-19 situation, it is expected that this will not be heard until 2021. The Supreme Court judgement may result in a decision which either reduces the period of liability or confirms the full period back to 1998.

The £979k 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).

A divisor of 7.69% has been used for the provision this year whereas the divisor used last year was 12.07%.

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

1. The appeal to the Supreme Court (as detail above);
2. Lack of accessible data for years previous to 2008/09 requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. A reliable estimate for the pension element is not yet available so this has not been factored into the provision;
6. The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift of 13.8% for Employer National Insurance Contributions (NI) of £97k (2019-20: £148k) and Employer Pension Contributions of £172k (2019-20: Nil); and
7. Taxation issues are under discussion with HMRC, by the wider NI public sector.

Therefore, the estimated provision outline above is based on the application of DoF methodology, which may be subject to change following the outcome of the Supreme Court appeal.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

19. CASH AND CASH EQUIVALENTS	At 1 August 2020	Cash Flows	At 31 July 2021
	£'000	£'000	£'000
Cash and Cash equivalents at 31 July 2020	4,960	824	5,784

20. PENSION 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.

National Employment Savings Trust (NEST) is a defined contribution workplace pension scheme which was set up to facilitate Automatic Enrolment as part of the workplace pension reforms under the Pensions Act 2008.

	2021	2020
	£'000	£'000
Total pension cost for the year		
NITPS: contributions paid	2,696	2,579
NEST: contributions paid	19	10
NILGOSC: Contributions paid	1,277	1,106
NILGOSC: FRS 17 Adjustments	2,670	1,446
NILGOSC: Charge to the Statement of Comprehensive Income & Expenditure	3,947	2,552
Total Pension Cost for Year	6,662	5,141

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 2019.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

20. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

NITPS

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

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

The Government Actuary's Department values the scheme every 4 years with an interim valuation in the intervening 2-year period using the projected accrued benefit method.

The employer contribution rate increased to 25.10% from 1 April 2019.

The salary bands applicable to member contributions for the NITPS, based on members' annual salary rate (actual earnings), from 1st April 2020 were;

Salary	1 April 2020 - 31 March 2021
Up to £28,169	7.4%
£28,169 to £37,918	8.6%
£37,919 to £44,960	9.6%
£44,961 to £59,587	10.2%
£59,588 to £81,254	11.3%
£81,255 and above	11.7%

Salary	1 April 2021 - 31 March 2022
Up to £28,310	7.4%
£28,310 to £38,108	8.6%
£38,109 to £45,185	9.6%
£45,186 to £59,885	10.2%
£59,886 to £81,661	11.3%
£81,662 and above	11.7%

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

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

20. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

NILGOSC

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

The following information is based upon a full actuarial valuation of the NILGOSC fund at 31 March 2019 updated to 31 July 2021 by a qualified actuary.

	At 31 July	At 31 July
Principal actuarial assumptions	2021	2020
Principal actuarial assumptions at SoFP date are as follows:	%	%
Rate of increase in salaries	4.1	3.8
Rate of increase for pensions in payment/inflation	2.6	2.3
Pension accounts revaluation rate	2.6	2.3
Discount rates for scheme liabilities	1.7	1.4

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

	At 31 July	At 31 July
	2021	2020
Members aged 45 at accounting date		
Males	23.3 years	23.2 years
Females	26.5 years	26.4 years
Members aged 65 at accounting date		
Males	21.9 years	21.8 years
Females	25.1 years	25.0 years

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

20. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	Asset Allocation at 31 July 2021	Value at 31 July 2021	Asset Allocation at 31 July 2020	Value at 31 July 2020
	%	£'000	%	£'000
Equities	43.2	16,712	42.7	13,687
Bonds	40.0	15,473	38.7	12,404
Property	8.9	3,443	9.3	2,981
Cash	4.8	1,857	5.2	1,667
Other	3.1	1,199	4.1	1,314
Total Market Value of Assets		38,684		32,053

	2021	2020
	£'000	£'000
Amounts recognised in the SoFP		
Fair value of plan assets	38,684	32,053
Present value of scheme liabilities	(57,359)	(53,568)
Deficit in the scheme (Net pension liability recorded within pension provisions)	(18,675)	(21,515)

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

	2021	2020
	£'000	£'000
Amounts included in staff costs		
Current service cost	3,948	2,715
Past service cost*	7	243
Curtailment cost	-	-
Total operating charge	3,955	2,958

	2021	2020
	£'000	£'000
Analysis of pension finance income / (costs)		
Interest income on assets	(456)	(742)
Interest cost	748	887
Net charge	292	145

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

20. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Analysis of Other Comprehensive Income and Expenditure for Pensions

	2021	2020
	£'000	£'000
Remeasurement gains/(losses) on pension scheme assets	5,209	(2,995)
Actuarial gains/(losses) on scheme liabilities	593	(9,595)
Total Other Comprehensive Income and Expenditure	5,802	(12,590)
Movement in deficit during the year		
	2021	2020
	£'000	£'000
Deficit in scheme at 1 August 2020	(21,515)	(7,334)
Movement in the year:		
Current service cost	(3,948)	(2,715)
Employer contributions	1,285	1,512
Past service cost/gain	(7)	(243)
Curtailment cost	-	-
Net interest	(292)	(145)
Actuarial gain or (loss) recognised in other Comprehensive Income and Expenditure	5,802	(12,590)
Deficit in scheme at 31 July 2021	(18,675)	(21,515)
Asset and Liability Reconciliation		
	2021	2020
	£'000	£'000
Reconciliation of Liabilities:		
Liabilities at start of period	53,568	40,460
Service cost	3,948	2,715
Interest cost	748	887
Employee contributions	409	379
Actuarial (gain)/loss	(593)	9,595
Benefits paid	(728)	(711)
Past service cost	7	243
Curtailment cost	-	-
Liabilities at end of period	57,359	53,568

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

20. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

	2021	2020
	£'000	£'000
Reconciliation of Assets:		
Assets at start of period	32,053	33,126
Interest Income	456	742
Remeasurement gain/(loss)	5,209	(2,995)
Employer contributions	1,285	1,512
Employee contributions	409	379
Benefits paid	<u>(728)</u>	<u>(711)</u>
Assets at end of period	<u>38,684</u>	<u>32,053</u>

The estimated value of employer contributions for the year ended 31 July 2022 is £1,331k.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

21. EVENTS AFTER THE END OF THE REPORTING DATE

Details of any post balance sheet events are given in the report of the Members of the Governing Body.

22. CAPITAL COMMITMENTS	2020	2019
	£'000	£'000
Commitments contracted for at 31st July 2021	<u>348</u>	<u>771</u>

PFI Contract

Capital repayments are being made over a 25 year period and will be funded by DfE. The PFI contract with Northwin Limited for the Northland building commenced in February 2001 and will cease in January 2026.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

23. FINANCIAL COMMITMENTS

At 31 July 2021 the College had annual commitments under non-cancellable operating leases as follows:

	2021	2020
	£'000	£'000
LESSEE:		
Land and Buildings:		
Expiring within one year	-	-
Expiring within two and five years inclusive	-	-
	<hr/>	<hr/>
	-	-
Other:		
Expiring within one year	35	35
Expiring within two and five years inclusive	68	103
Expiring in over five years	-	-
	<hr/>	<hr/>
	103	138
LESSOR:		
Land and Buildings:		
Expiring within one year	6	6
Expiring within two and five years inclusive	2	8
	<hr/>	<hr/>
	8	14

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

24. RELATED PARTY TRANSACTIONS

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

Related Organisation	Governor	Position In Related Organisation	2021	2020	Amount	Amount
			Amount Paid (Income) £'000	Amount Paid (Income) £'000	Outstanding At 31 July 2021 £'000	Outstanding At 31 July 2020 £'000
Derry City & Strabane District Council	Mr S Gillespie	Director	1 (5)	37 (2)	- -	- -
The LYCRA Company	Dr N Hand	Operations Manager	1 (4)	-	-	-
Nuprint Technologies	Mr G Killeen	Managing Director	14 -	1 (1)	- -	- -
Education Authority(Ballymena)	Mr B Quinn	Senior Architect	15 (84)	(97)	(5)	(10)

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

24. RELATED PARTY TRANSACTIONS (CONTINUED)

Related Organisation	Governor	Position In	2021	2020	Amount	Amount
			Amount Paid (Income) £'000	Amount Paid (Income) £'000	Outstanding At 31 July 2021 £'000	Outstanding At 31 July 2020 £'000
Londonderry Chamber Of Commerce	Mr G Killeen	Director	8	7	-	-
Invest NI	Mr P Canavan	Board Member	(115)	(117)	(5)	(5)
St Mary's College	Mr P Canavan	Board Of Governors	-	(6)	-	-
Belfast Metropolitan College	Mrs R Dougherty	Part-time Tutor	127 (406)	86 (8)	- (173)	- (1)
Ulster University	Prof M O'Neill	Provost	222 (84)	214 (74)	- (11)	- (11)

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

25. AGENCY ARRANGEMENTS

	2021	2020
(a) Support Funds	£'000	£'000
DfE grants	387	357
Interest earned	-	-
	<u>387</u>	<u>357</u>
Disbursed to students	(358)	(337)
Audit fees	(1)	(1)
	<u>(359)</u>	<u>(338)</u>
Balance unspent at 31 July 2021	<u>28</u>	<u>19</u>

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

	2021	2020
(b) Care to Learn	£'000	£'000
DfE Grants	14	15
Disbursed to childcare providers	(14)	(15)

The scheme addresses the need to provide childcare support for parents under the age of 20. The College acts only as a paying agent therefore the grants and related disbursements are excluded from the Statement of Comprehensive Income and Expenditure.

	2021
(c) Covid Disruption Payments	£'000
DfE Grants	243
Disbursed to students	<u>(231)</u>
Balance Unspent at 31 July 21	<u><u>12</u></u>

The College acted on behalf of DfE to distribute COVID Study Disruption Scheme payments. It was agreed that Colleges acted as 'agents' in administering these payments. DfE made a payment of £243k to the College based on the requirements reported at 2020/21 outturn to provide funding for the College's administration of the scheme. Payments were strictly ring-fenced and the underspend of £12k is included as a liability in these accounts to be repaid to DfE.

NORTH WEST REGIONAL COLLEGE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

26. LOSSES & SPECIAL PAYMENTS

The College wrote off £4,139 in 2020/21 in relation to bad debts.

In accordance with Financial Memorandum the authorisation to write off individual debts greater than £2,000 should be sought from the Department. No debts written off were individually greater than £2,000.

The write off for debts less than £2,000 were approved by the Board of Governors.

The total number of cases written off was 18.

27. THIRD PARTY ASSET

The College holds a bank account on behalf of the Students' Union and at 31st July 2021 the balance in the account was £2.9k (£1.5k at 31st July 2020). This is not a North West Regional College asset and is therefore not included in these financial statements.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021**

28. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	Notes	2021 £'000	2020 £'000
INCOME			
DfE income (non grant-in-aid items)	1	1,890	1,327
Education contracts	2	2,773	3,081
Tuition fees and charges	3	1,849	2,092
Other grant income	4	793	886
Other operating income	5	989	1,183
Endowment and Investment income	6	-	8
Profit on disposal of assets		22	-
Total incoming resources		8,316	8,577
EXPENDITURE			
Staff costs	7	27,318	24,862
Other operating expenses	9	12,000	10,785
Depreciation/Loss on disposal of fixed assets	12&13	3,492	3,399
Exceptional costs		(246)	1,225
Interest and other finance costs	10	1,038	973
Total resources expended		43,602	41,244
Net deficit for the year		(35,286)	(32,667)
Unrealised (deficit)/surplus on revaluation of land and buildings		631	(135)
Actuarial gain/(loss) in respect of pension scheme		5,802	(12,590)
Amount transferred to reserves		(28,853)	(45,392)
Analysis of reserves prepared under FReM			
		2021 £'000	2020 £'000
Balance at 1 August 2020		18,309	35,023
Grant-in-aid received in year	1	32,122	28,678
Net operating cost for year		(28,853)	(45,392)
Balance at 31 July 2021		21,578	18,309

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 15th November 2021



north west
regional college

Derry-Londonderry • Limavady • Strabane

