



North West Regional College
ANNUAL REPORT AND ACCOUNTS
Year Ended 31 July 2022



north west
regional college
Derry-Londonderry • Limavady • Strabane



NORTH WEST REGIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

The Accounting Officer authorised these

Financial statements for issue

on

30th November 2022

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 2022



NORTH WEST REGIONAL COLLEGE ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2022

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Strategic Report

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

Nature, Objectives and Strategies

The Governing Body members present their report and the audited financial statements for the year ended 31 July 2022.

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. Despite the fact that unemployment is falling, 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 economic climate has experienced significant changes due to external global environment impacting significantly on the cost of living with extensive increases in fuel and energy costs.

In line with the sector curriculum reform agenda, NWRC delivered a number of Traineeships (Level 2) and Advanced Vocational Technical Award (Level 3) programmes in 2021/22.

Going forward the 2022-23 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.

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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.

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.

Our Curriculum

The College offers education and training programmes at Levels 0-6 across a wide range of professional and technical areas.

The Higher Education (HE) provision accounts for 12% of the total College Enrolment count (excluding Essential Skills). The total enrolment count was 11,775 (including Essential Skills). As part of the Entitlement Framework provision offered to post-primary schools, there were 43 course offerings with 456 enrolments across three area learning communities.

Some 36% of students attended on a full time basis. Within the full time cohort of students, 50.7% of students were male, 48.6% were female and 0.7% were other. The College also delivered Work Based Learning in 24 vocational areas as part of the Training for Success and Apprenticeship NI. 19% of Further Education (FE) Full-time students had a learning disability and were supported in their learning within mainstream provision.

The College recognises the key role that it has to play if we are to realise the vision that the 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.

Renewable technology has been identified as a key area for skills growth. Therefore, the College appointed a Curriculum Manager of Renewables and Built Environment in 2021/22 to increase this focus and develop high quality curriculum offer in this area. A cross College Sustainability Working Group had also been established in 2021/22 to improve collaboration across all areas.

2021/22 delivery and attendance at the College continued to be impacted by COVID restrictions and infection rates amongst staff and students. This required continued implementation of hybrid delivery of classes via remote lessons along with face to face

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delivery where possible throughout the academic year.

Foundation Degrees revalidations/validations were reinstated in 2021/22 and the College followed schedules from the relevant awarding organisations. A number of successful revalidations took place in 2021/22 such as Foundation Degree in Health and Social Care (network), Foundation Degree in Hospitality and Tourism Management (network) and Access Science courses. A schedule is in place for 2022/23 revalidations.

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.

As part of the DCSDC City Deal the College is in the process of preparing an Outline Business Case for consideration to build a new Strabane Campus in the town centre/canal basin. The aim is to improve recruitment and to work collaboratively with stakeholders bidding to develop in the same area. The College intends to strive for a diverse curriculum offer that will meet the needs of the local community and industry helping reduce the skills gap in this area of high deprivation.

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.

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 a number of Innovation Centres – Foodovation, Product Design Centre, XR Centre and Design Innovation for Assisted Living (DIAL) Centre with a further centre, Industry 4.0 (I 4.0) due to become operational soon in Springtown. 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

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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 Further Higher, Higher Education, 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 and continuing with planned virtual delivery in HE courses to enable learners to gain relevant skills.

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.

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Enrolment Results 2021/22

In 2021/22 the College had a total target of 11,850 enrolments. The table below shows actual performance against target¹.

HIGHER EDUCATION FIGURES

	Target	Actual
HE Full Time	584	424
HE Part Time (excl. HLA)	678	674
Total	1,262	1,098

	Target	Actual
HLA	85	62

FURTHER EDUCATION FIGURES

	Target	Actual
FE Full Time (excl. WBL/HE/ESK)	2,246	1,809
FE Part Time (excl. WBL/HE/ESK)	5,933	6,485
Total	8,179	8,294

TRAINING FOR SUCCESS/APPRENTICESHIPS NI FIGURES

	Target	Actual
TFS Full Time	74	45
TFS Part Time	26	19
SFLW (L1) Full Time	20	18
SFLW (L1) Part Time	0	9
Traineeships Full Time	40	33
Traineeships Part Time	0	40
APPNI Full Time	467	489
APPNI Part Time	28	78
Total	655	731

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ESSENTIAL SKILLS FIGURES

	Target	Actual
ESK (TFS)	57	43
ESK (SFLW)	47	31
ESK (T'Ship)	92	38
ESK (FE)	1,413	1,299
ESK (APPNI)	60	179

65% of all College enrolments were in the Key Priority Skills Areas and STEM provision and 82% of all College programmes delivered were accredited.

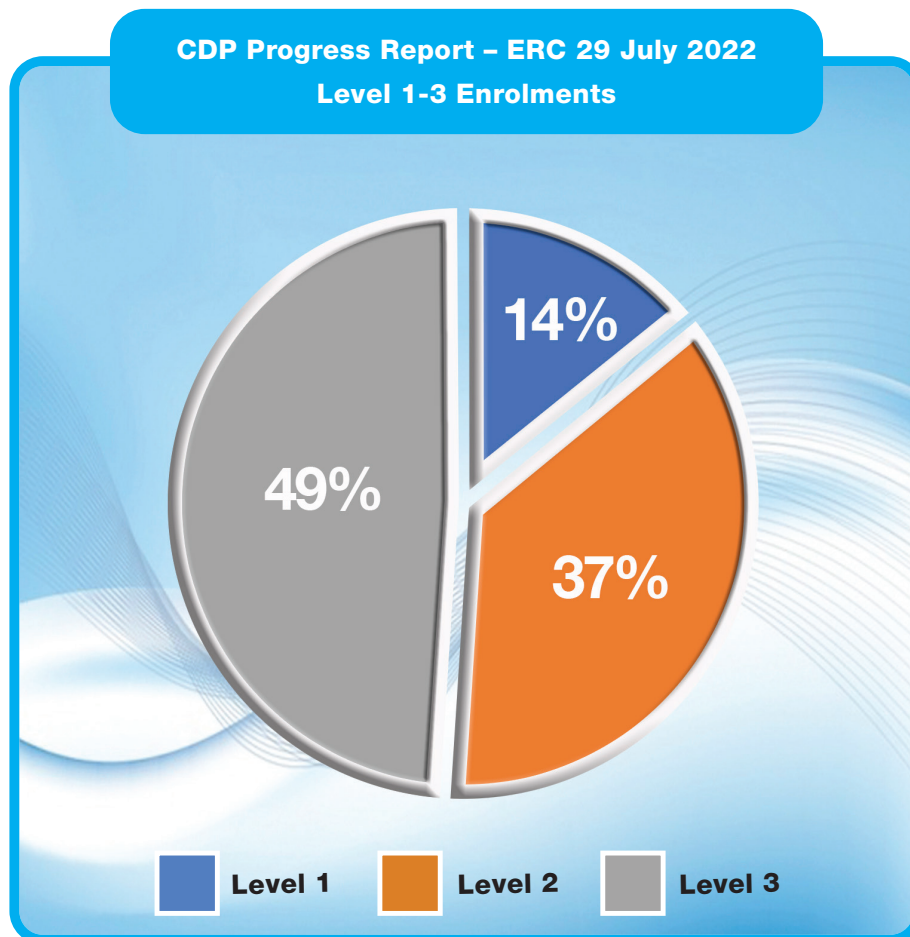
Retention for the College in funded courses is 81% for FE Full Time, 94% for FE Part Time, 89% for HE Full Time, 92% for HE Part Time and 80% for Essential Skills.

Overall College retention was 88% for 2021/22.

¹ GDP Progress Report Education Report Card extract on 29 July 2022

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The combined Level 2 and Level 3 provision contributes to 86% of mainstream FE provision (excl. Essential Skills)².



The primary focus of the Draft 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 will be a key player in the roll out of the recently launched Skills Strategy particularly in increasing the proportion of the population in the North West with qualifications at Level 2 and above.

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.

²CDP Progress Report Education Report Card extract on 29 July 2022

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Employer Engagement

The targets for business engagement were met in all areas.

2021/22 year to end March 2022	Target	Actual
Skills Focus no. of enrolments	360	370
Skills Focus budget spend	£400K	£494K
InnovateUs (No. of projects)	80	81
InnovateUs budget spend	£376K	£376K
Innovation Vouchers	25	25
Fusions	25	29
Academies	7	9

370 employees were up skilled to level 2 and above via the DfE Skills Focus programme, despite the ongoing COVID pandemic. DfE have also decided to continue to waive the 25% employer contribution for the funding year beginning April 2022 providing 100% funding for businesses with less than 250 employees.

9 Assured Skills academies were successfully delivered with Alchemy, FinTrU and several SME engineering businesses with 124 people trained for jobs created in the Financial, IT Services and manufacturing sectors.

The Skills team also secured and managed the delivery of Skill Up and Economic Recovery Action Plan (ERAP) funding for people effected by Covid and to retrain people in priority skills areas. 900 people were enrolled on courses.

The College continues to grow its innovation footprint investing in new equipment and facilities in new emerging technologies such as mixed reality (XR - a cross between augmented and virtual reality) and industry 4.0, with expanded collaborations such as the Smart Nano Manufacturing Corridor, to compliment the NWRC's existing innovation Centres of Foodovation, the Product Design Centre and DIAL Assisted Living. The College's innovation centres met all their targets for the past year.

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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 2022, the College is reporting an historic deficit of £2,662k
- Cash days of between 20-40 – actual cash days for 2021/22 is 40 days
- Debtor days of between 0-30 – actual debtor days for 2021/22 is 32 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 £3,872k (Deficit in 2020/21 of £3,432k). The historic deficit in the year was £2,662k after charging £3,218k of pension costs as a result of the FRS17 adjustment (Historic deficit in 2020/21 of £1,980k). The historic surplus before the FRS17 adjustment is £556k (Historic surplus in 2020/21 of £982k). 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 £18,143k (Surplus in 2020/21 of £3,269k).

The movement from the 2021/22 College Development Plan and the final outturn is explained by movements to a number of key account headings most notably a favourable variance of £988k in respect of DfE Grants.

Buildings were subject to a full revaluation at 31 July 2022 by Land and Property Services.

The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension liability decreased from £18.7m to £6.3m.

The significant reduction in pension liability is due to a number of pertinent reasons:

- a change in the financial assumptions used to calculate the Defined Benefit Obligation (DBO). Specifically higher corporate bond yields since the previous year-end have led to a decrease in the DBO of £20,502k; and
- a change in the demographic assumptions used to calculate the DBO, providing a decrease of £448k.

The decreases have been offset to some extent by:

- lower than assumed returns on the Fund assets over the period (-£3,200k); and
- experience losses due to inflation (and therefore deferred revaluation and pension increases) being higher than expected over the 2021/22 financial year, as well as the allowance for an expected inflationary experience loss over the financial year 2022/23 due to the current high inflationary environment (-£2,172k).

The College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2021/22 DfE provided 68% (2020/21 - 68%) of the College's total income through allocated recurrent grant. This represented 14.3% of the total recurrent grant available to the sector.

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Reserves

The College has accumulated reserves of £39.7 million and cash balances of £4.5 million.

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 £1,290k cash outflow for the year. (2020/21 - £824k inflow)

Liquidity

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

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Student Activities and Achievements

The College full time FE student enrolments saw a decrease between 2020/2021 and 2021/2022 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 15.7% from 2,146 to 1,809;
- Full-time Maximum Student Numbers (MaSN) HE enrolments decreased by 17.5% from 514 to 424;
- Full-time Training for Success/ApprenticeshipNI enrolments decreased by 13.3% from 616 to 534 mainly due to the discontinuation of the Training for Success provision. ApprenticeshipNI enrolments for 2021/22 exceeded the target enrolment set by 3.8%;
- Part-time enrolments (excl. ESK) increased by 30.7% from 5,638 to 7,367;
- 100% residual qualifications carried into 2021/22 from 2019/20, as a result of COVID lockdown from March 2020, were completed in 2021/22. 94% residual qualifications, as a result of COVID lockdowns in 2020/21, were completed in 2021/22;
- Part Time HE enrolments achieved 99.4% of the target with 674 enrolments against a target of 678;
- Full Time enrolments in APPSNI exceeded target of 467 achieving enrolments of 489;
- Enrolments on targeted programmes such as College Connect and Princes Trust exceeded their target of 85 enrolments to achieve 95 enrolments;
- 65% of the overall College enrolments were on Priority Skills Areas and STEM programmes achieving the College target set for 2021/22.

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 2021 to 31 July 2022, the College paid 96% of its invoices within 30 days (2020/21 - 95%). 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 2022, the College paid 93% of its invoices within 10 days. (2020/21 – 90%).

Events after the end of the Reporting Date

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

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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. The uncertainty and challenges presented by the current macro-economic environment 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.

An 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 next 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 2022 are as follows:

	Value £'000
Foyle Building	17,888
Strand Road	19,905
Limavady	10,251
Northland*	11,209
Centre for Technology	7,763
Strabane	2,843
Springtown	10,130
Maydown	650

**PFI Building*

Surplus on Revaluation

Land and buildings were subject to a full revaluation at 31 July 2022 on a depreciated replacement cost basis except for Maydown where Market Value was used. The valuations were performed independently by the Land and Property Services (LPS). The valuations were undertaken having regard to UK GAAP, and more specifically the Statement of Recommended Practice: accounting for further and higher education (SORP) 2019 (effective from 1st January 2019) for the Higher and Further Education sectors and Financial Reporting Standard (FRS) 102 issued by the Financial Reporting Council (FRC). The valuations were also carried out in accordance with HM Treasury guidance, International Valuation Standards and the requirements of the Royal Institution of Chartered Surveyors (RICS) Professional Standards.

The revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

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Financial:

The College has £39.9 million of net assets (including an £6.3 million pension liability).

People:

The College employs 618 people (expressed as full time equivalents), of whom 326 are teaching staff.

Sickness/Absence Data	2021-22	2020-21
No of days absent	5,164	3,993
Absence Rate	3%	2.8%
Average Day Lost per employee	7 days	5.5 days

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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 (ETI) 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” (2020/21). 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 2020/21 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 provided, there is sufficient evidence that the organisation is planning effectively for recovery and continuity in learning and quality improvement’.

A new process for self-evaluation established by DfE Quality Monitoring and Evaluation Return has been successfully followed with submissions made in relation to Traineeships, Apprenticeships and HLAs. The Whole College SER is to be submitted for monitoring to DfE’s Quality Improvement Team in 2022/23.

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

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Learning Committee which also deals with the development and delivery of new Traineeship provision. A number of recent Trainee Management System audits relating to compliance processes have been satisfactory.

The newly appointed Director of Curriculum and Academic Standards continues to oversee cross College committees to progress improvement in areas including Essential Skills, sustainability agenda and the College community provision. 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. The College is currently awaiting final confirmation of successful validation with the Open University.

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 utilisation 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 National Student Survey results released in early July show that 90% of all students that took part in the survey were overall satisfied with their course and the College. The sector outcome was 76%. Over 91% of our students confirmed they were able to contact staff when they needed to (sector average was 80%); over 89% confirmed their course provided them with opportunities to apply what they had learned (sector average was 77%); and almost 78% confirmed they felt part of a community of staff and students (sector average 61%). Outcomes had improved on previous years and the College again achieved higher outcomes than the sector average in all core questions asked of the students.

A wide range of Learner Services are also available online. The College secured funds to support “Lost Learning” during 2021/22 and allocated monies to additional learner support as well as contact time to full time courses. 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 4 reports satisfactory. Two further Internal Audit reports issued were “Factual Reports” only. The overall end of year report was graded as Satisfactory.

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Summary of College highlights from 2021-22:

- NWRC student Jamie Watton won the Princes Trust Young Changemaker Award, recognising young people who are inspiring others through their personal experience of turning their lives around, and the Marvel Rising Star Award, acknowledging those who have overcome barriers and are now in sustainable employment.
- The College secured £175,528 from the Turing Scheme which provides funding for Further Education (FE) and Vocational Education and Training (VET) learners giving them the chance to learn and work abroad. Students will now be given the opportunity to travel as part of their course.
- NWRC's Business Support Centre formed a strategic partnership with Inishowen Development Partnership and Inishowen Skillnet, to further develop the skills, talent and enterprise in the North West region.
- Greystone campus student David Johnston, an apprentice with JKC BMW in Coleraine came second in the UK Skills show heats in Ford Daventry.
- Chef Gale Gand from the USA, a nationally acclaimed pastry chef, restaurateur, cookbook author, television personality, teacher and entrepreneur delivered a masterclass at Strand Road campus.
- NWRC student Rebecca Wray became the first-ever recipient of The Gerard Finnegan Memorial Cup, at the 2022 Best in FE (Further Education) celebrations.
- Lorraine Moore-McLaughlin, was named the first recipient of the 'The Eileen Cairns Scholarship' and received the accolade at the College's recent Best in FE (Further Education) celebrations.
- George Fleming received a Special Award in recognition of his contribution to Skills and Employment, along with Leann Monk-Özgül and Jennifer Neff at NWRC's graduation ceremony, in recognition of their contribution to social inclusion.
- NWRC officially opened its refurbished campus based at Springtown. The campus was opened by NWRC's Leo Murphy, and Heather Cousins, Head of the Skills and Education Group, Department for the Economy, who unveiled a commemorative plaque to mark the occasion.
- The College won a number of prizes at the 2022 Project Based Learning Awards 2022. Students were recognised for Innovation, Entrepreneurship, Environmental, Social Impact, Ambassadorship and Best Use of Project Based Learning.
- NWRC's BTEC Regulated Qualifications Framework HND Art Practice Team received a Bronze award in the Pearson National Teaching Awards.
- Ivor Neill and Jacqueline Turner received a silver award for 'Lecturer of the Year' at the Pearson Awards. The Health Science team received a silver award for 'Team of the Year.'

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- 23 students studying STEM associated subjects at NWRC were awarded scholarships totalling £44,000 from the SSE Renewables Fund.
- NWRC Apprentice Chloe Rankin who is the only female welder working alongside a team of male welders at Fleming Agri Products, was shortlisted as a finalist in the 'Insider - Made in Northern Ireland' Apprentice of the Year Award 2022.
- NWRC art student Ethan Deery received a Mayoral reception at the Guildhall where Mayor Graham Warke commended him for his work during the COVID pandemic when he created a moving animation charting his grandfather's time in hospital and miraculous recovery from COVID.
- NWRC lecturer Angela Thompson was awarded an MBE in the 2022 New Year Honours list. Angela, who lectures in Health and Social Care, was given an MBE for her Voluntary Service in Northern Ireland.
- Samuel McGregor, a member of the Governing Body at NWRC, received an MBE in the Queen's Birthday Honours for services to Further Education and community in Northern Ireland.
- Ten budding chefs completed a four-week Bootcamp at North West Regional College where they were trained by the best in the Hospitality Industry.
- Limavady Campus held its first Students of the Term awards ceremony.
- Students studying Level 2 and Level 3 Hairdressing took part in the Worldskills Hairdressing Campus Competition at Limavady, Strand Road, and Strabane campus showcasing Cut and Colour, Upstyle, Avant Garde and Full Collection.
- Lecturers from NWRC teamed up with South West College, Letterkenny Institute of Technology, and Donegal Education Training Board joining a collaboration with Electric Vehicle Specialists Hyundai to prepare for the ensuing transition to Electric Vehicles.
- Preet Chandi, a British Army captain who became the first woman of colour to trek across Antarctica gave a motivational talk to students at NWRC Limavady.
- Former NWRC apprentice Shannon Cartin, made history by becoming the College's first ever female lecturer in Fabrication and Welding.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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 2022/23 is in line with 2021/22, 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.

NORTH WEST REGIONAL COLLEGE STRATEGIC REPORT FOR THE YEAR ENDED 31 JULY 2022

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;
- Atlantic Technological University;
- 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 2022

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 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 2022

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 2022

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 were 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
106 University Street
Belfast
BT7 1EU

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 2022**

Members

The members who served the Governing Body during the year to 31 July 2022 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 2021/22
Ms M Breslin	21/07/2020	4 yrs		Staff Member	AC	4(5)
Mr P Canavan	01/07/2019	4 yrs		Member	AC, EC	7(7)
Mrs D Creevy	13/01/2022	4 yrs		Member	RC	4(4)
Mrs R Dougherty	15/06/2020	4 yrs	30/06/2022	Member	EC, RC	7(7)
Mr D Ferns	24/02/2022	1 year*	30/06/2022	Student Member		0(1)
Mr G Finnegan	01/07/2019	4 yrs	30/01/2022	Chair ¹		3(3)
Mrs S Fisher	13/01/2022	4 yrs		Member	RC	3(4)
Mr S Gillespie	24/01/2020	4 yrs		Co-opted	AC	4(7)
Mrs M Gormley	13/01/2022	4 yrs		Member	AC	2(4)
Dr N Hand	01/07/2021	6 mths**	31/12/2021	Member	EC, RC	6(7)
Mr K Kennedy	01/07/2022	4 yrs		Member	RC	0(0)
Mr G Killeen	01/08/2021	5 mths**	30/06/2022	Vice Chair/Acting Chair ¹	AC, EC	7(7)
Mr S McGregor	01/08/2021	5 mths**	30/06/2022	Member	EC, RC	7(7)
Mrs J McKeever	13/01/2022	4 yrs		Member/ Temporary Chair ¹	EC	3(4)
Mr P McKeown	14/04/2022	***		Interim Principal & CE ²	EC, RC	2(2)
Mr L Murphy	05/05/2014	***	13/04/2022	Principal & CE ²	EC, RC	5(5)
Mr M O'Kane	01/08/2021	5 mths**	31/12/2021	Member	EC	3(3)
Mr B O'Neill	01/07/2022	4 yrs		Member	RC	0(0)
Prof M O'Neill	11/06/2021	4 yrs		Co-opted	AC, EC	7(7)
Mr B Quinn	01/08/2019	4 yrs		Member	RC	5(7)
Mrs C Shongo	13/01/2022	4 yrs		Member	AC	4(4)

**NORTH WEST REGIONAL COLLEGE
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2022**

Mr F Smyth	01/07/2022	4 yrs		Member	AC	0(0)
Mrs L Taggart	26/01/2018	4 yrs	25/01/2022	Staff Member	AC, EC	3(4)
Mr P Thompson	13/01/2022	4 yrs		Member	EC	2(4)
Ms V Toland	29/04/2022	4 yrs		Staff Member	EC	1(1)

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

* - Term of Office completes on 30/09/2022 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

1 - Mr Gerard Finnegan served as Chairperson of the Governing Body until the date of his death (30/01/2022). Mr Gavin Killeen then served as Acting Chair from 31/01/2022 until 30/06/2022 when Mrs Jennifer McKeever took on the role of Temporary Chair.

2 - Mr Leo Murphy was seconded to SWC from 01/04/2022 and Mr Patrick McKeown became Interim Principal & Chief Executive for the duration of the secondment which ended on 25/09/2022.

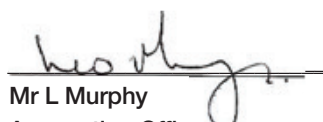
For and on behalf of the members of the Governing Body



Mrs J McKeever
Chair

24/11/2022

Date



Mr L Murphy
Accounting Officer

24/11/2022

Date

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Remuneration Report



NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT FOR THE YEAR ENDED 31 JULY 2022

Members of the Governing Body

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

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

No member of the Governing Body (excluding staff members) 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 remuneration of Chairperson and Board members is as follows:

	2021/22		2020/2021	
	Salary and Allowances	Benefits in Kind	Salary and Allowances	Benefits in Kind
	£'000	£'000	£'000	£'000
Mr G Finnegan (Chair until 30/01/2022)	10-15	-	20-25	-
Mr G Killeen (Acting Chair 31/01/2022-30/06/2022)	10-15	-	0-5	-
Mrs J McKeever (Temporary Chair since 01/07/2022)	0-5	-	n/a	-
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	-
Mr B Quinn	0-5	-	0-5	-
Ms R Dougherty	0-5	-	0-5	-
Dr N Hand	0-5	-	0-5	-
Prof M Ó Néill	0-5	-	0-5	-
Mr D Ferns	0-5	-	0-5	-
Mrs D Creevy	0-5	-	n/a	-
Mrs S Fisher	0-5	-	n/a	-
Mrs M Gormley	0-5	-	n/a	-
Mr K Kennedy	0-5	-	n/a	-
Mr B O'Neill	0-5	-	n/a	-
Mrs C Shongo	0-5	-	n/a	-
Mr F Smyth	0-5	-	n/a	-
Mr P Thompson	0-5	-	n/a	-

* Members who have chosen not to claim remuneration

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT FOR THE YEAR ENDED 31 JULY 2022

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.

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 FOR THE YEAR ENDED 31 JULY 2022

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	2021/22				2020/21			
	Salary	Benefits in kind	Pension benefits	Total	Salary	Benefits in kind	Pension benefits	Total
	£'000	£	£'000**	£'000	£'000	£	£'000	£'000
Mr L Murphy* Principal & Chief Executive	115-120	Nil	30	145-150	115-120	Nil	29	145-150
Mr P McKeown Finance Director	90-95	Nil	18	110-115	85-90	Nil	17	100-105
Dr C O'Mullan Director of Curriculum & Academic Standards (since 01/04/2022)	25-30	Nil	Nil	25-30	N/A	N/A	N/A	N/A

*NWRC paid Leo Murphy in the band £115-120k in 2021/22. However, Leo Murphy was seconded to South West College from 01/04/2022. NWRC received income in the band £35-40k (net of employer's contributions) from SWC in respect of this secondment for the period 01/04/2022-31/07/2022.

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 2020 which was paid in January 2022.

** 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.

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT FOR THE YEAR ENDED 31 JULY 2022

The banded remuneration of the highest-paid director in NWRC in 2021/22 was £115-120k (2020/21, £115-120k). The relationship between the mid-point of this band and the remuneration of the organisation's workforce is disclosed below.

2021/22	25th percentile	Median	75th percentile
Total Remuneration (£)	22,088	27,514	39,571
Pay Ratio	5.3:1	4.3:1	3.0:1
2020/21	25th percentile	Median	75th percentile
Total Remuneration (£)	21,322	25,915	37,513
Pay Ratio	5.5:1	4.5:1	3.1:1

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 31/7/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/22	CETV at 31/7/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Mr L Murphy, Principal & Chief Executive	45-50 Plus lump sum of 140-145	2.5-5 Plus lump sum of 5-7.5	1,195	1,108	87
Mr P McKeown, Finance Director	35-40 Plus lump sum of 40-45	2.5-5 Plus lump sum of 2.5-5	615	534	56

Dr Catherine O'Mullan has opted out of Northern Ireland Teachers' Pension Scheme.

NORTH WEST REGIONAL COLLEGE REMUNERATION REPORT FOR THE YEAR ENDED 31 JULY 2022

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 FOR THE YEAR ENDED 31 JULY 2022

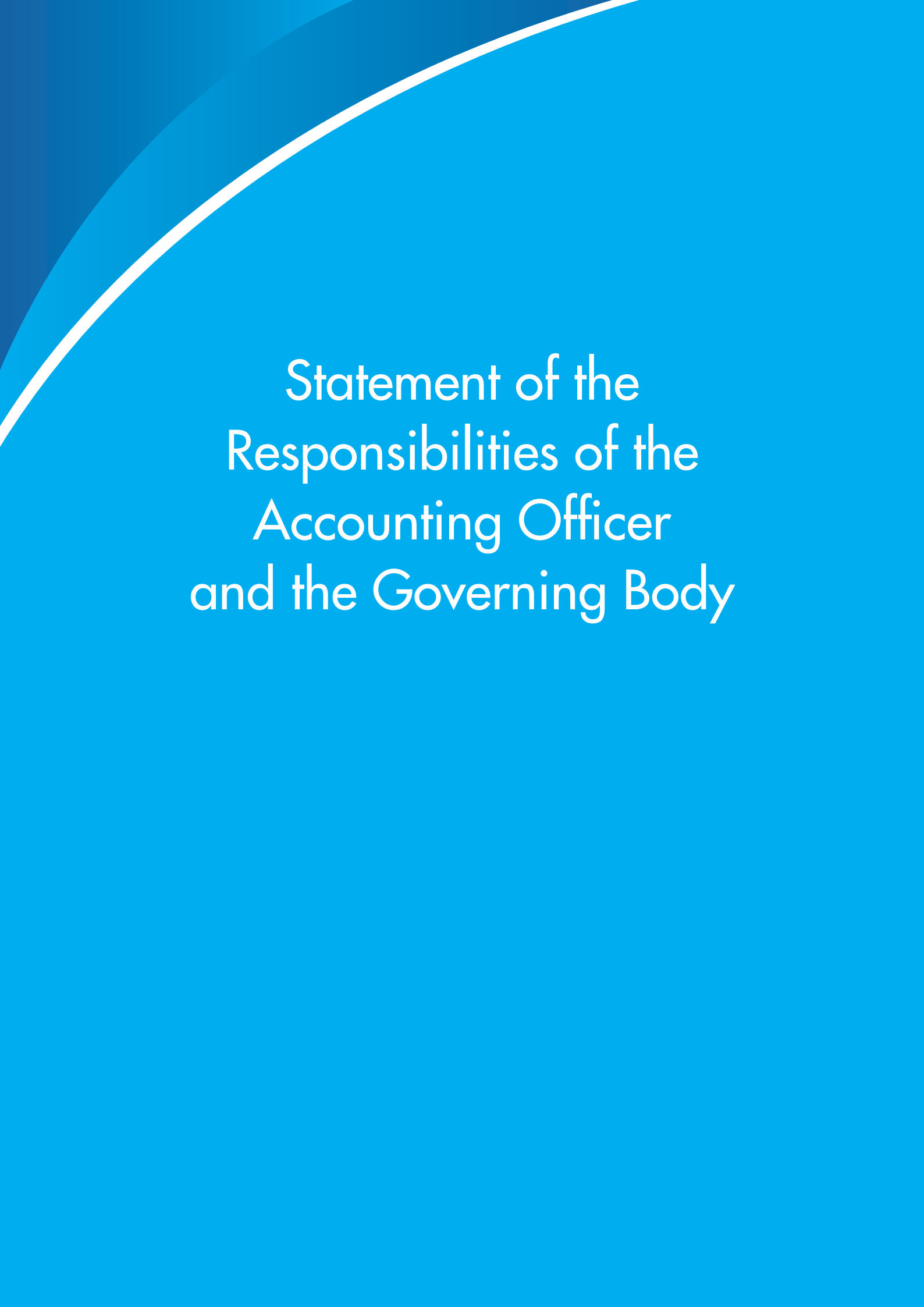
Real increase in CETV

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 2022.



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Statement of the
Responsibilities of the
Accounting Officer
and the Governing Body

NORTH WEST REGIONAL COLLEGE STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2022

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 24th November 2022 and signed on its behalf by:



Mrs J McKeever
Chair of Governing Body

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Statement of Corporate Governance and Internal Control

NORTH WEST REGIONAL COLLEGE

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

FOR THE YEAR ENDED 31 JULY 2022

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 Chair 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 2021/22 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 College Accountant, Head of Finance and the Finance Director 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 2022

Governing Body Evaluation

I consider that the Governing Body operated effectively during 2021/22, 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 2021 to 31 July 2022 is ongoing. The outcome of the 2020/21 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 2020/21 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 96.9% 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 2021/2022 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 2021/2022 academic year.

Resources Committee

The Finance and General purposes Committee and the Staffing Committee amalgamated in September 2019 as the Resources Committee. This Committee inter alia 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. 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 2021/2022 academic year.

For Membership and Attendance of Committees see table on pages 28-29.

NORTH WEST REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

Senior Management Team

The Principal & Chief Executive attends all Governing Body meetings and sub-committee meetings. The Finance Director attends all Audit & Risk Committee and Resources Committee meetings. The HR Manager attends the Resources Committee – Staffing Business section of the meeting. The Director of Curriculum & Academic Standards 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 work closely with the Assembly's Public Accounts Committee which can require Accounting Officers and senior officials to account for their actions in relation to the management of public funds.

A representative from the External Auditors is invited to the 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 2022 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 Final Reports and Accounts and the ensuing Report to Those Charged with Governance.

NORTH WEST REGIONAL COLLEGE STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

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 Raising Concerns 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 November 2021 and May 2022 all risks were reviewed and updated. As at May 2022 there were four high risks. – Impact of Reduced Enrolment Numbers, Compliance with Work Based Learning Regulations & Procedure, Failure to Maintain Financial Stability and COVID-19.

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.

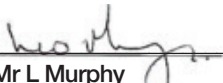
In addition to the actions mentioned above, in the coming year the College plans to:

- 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 2022, 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

24/11/2022
Date



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

NORTH WEST REGIONAL COLLEGE 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 2022 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I 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 North West Regional College's affairs as at 31 July 2022 and of its deficit for the year then ended;
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of North West Regional College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

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

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 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.

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 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, Staff Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control.

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

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

Matters on which I report by exception

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

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

Responsibilities of the Accounting Officer and Governing Body

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

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- 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 North 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 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 North West Regional College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008;
- making enquires of management and those charged with governance on 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 and posting of unusual journals;
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;

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

- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
 - performing analytical procedures to identify unusual or unexpected relationships or movements;
 - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
 - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
 - investigating significant or unusual transactions made outside of the normal course of business;
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

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

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

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

Report

I have no observations to make on these financial statements.



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

30 November 2022

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Statement of Comprehensive Income and Expenditure

NORTH WEST REGIONAL COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £'000	2021 £'000
Income			
Department for the Economy Grants	1	35,198	34,012
Education contracts	2	2,186	2,773
Tuition fees and charges	3	1,813	1,849
Other grant income	4	970	793
Other operating income	5	1,287	989
		<hr/>	<hr/>
Total income		41,454	40,416
		<hr/>	<hr/>
Expenditure			
Staff costs	6	28,949	27,318
Other operating expenses	8	11,788	12,000
Depreciation and Amortisation	11 & 12	3,639	3,492
Interest and other finance costs	9	950	1,038
		<hr/>	<hr/>
Total expenditure		45,326	43,848
		<hr/>	<hr/>
Deficit before other gains/losses and exceptional items		(3,872)	(3,432)
Gain on disposal of assets		24	22
Exceptional Holiday pay provision	17	(9)	246
		<hr/>	<hr/>
Deficit before tax		(3,857)	(3,164)
Taxation	10	-	-
		<hr/>	<hr/>
Deficit for the year		(3,857)	(3,164)
Unrealised surplus on revaluation of Land & Buildings	11	6,422	631
Actuarial gain in respect of pension scheme	19	15,578	5,802
		<hr/>	<hr/>
Total comprehensive income for the year		18,143	3,269
		<hr/>	<hr/>
Represented by:			
Unrestricted comprehensive income for the year		556	982
Pension Reserve comprehensive income for the year		12,360	2,840
Revaluation Reserve Comprehensive income/(expenditure) for year		5,227	(553)
		<hr/>	<hr/>
		18,143	3,269
		<hr/>	<hr/>

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.

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Statement of Changes in Reserves

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2022**

	Unrestricted Reserves	Pension Reserve	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	2,043	(21,515)	37,781	18,309
Deficit from income and expenditure account	(202)	(2,962)	-	(3,164)
Other comprehensive 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	-	-	-	-
Balance at 1 August 2021	3,025	(18,675)	37,228	21,578
Deficit from income and expenditure statement	(639)	(3,218)	-	(3,857)
Other comprehensive income/ (expenditure)	-	15,578	6,422	22,000
Transfers between revaluation and income and expenditure account	1,195	-	(1,195)	-
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income/ (expenditure) for the year	556	12,360	5,227	18,143
Balance at 31 July 2022	3,581	(6,315)	42,455	39,721

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

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Statement of Financial Position

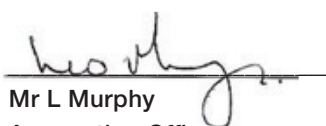
**NORTH WEST REGIONAL COLLEGE
STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2022**

	Notes	2022 £'000	2021 £'000
Non Current Assets			
Tangible fixed assets	11	83,204	79,719
Intangible assets	12	369	406
		<u>83,573</u>	<u>80,125</u>
Current Assets			
Trade & Other Receivables	14	2,556	3,431
Cash & Cash Equivalents	18	4,494	5,784
Total current assets		<u>7,050</u>	<u>9,215</u>
Less: Creditors: amounts falling due within one year	15	<u>(9,745)</u>	<u>(11,373)</u>
Net current liabilities		<u>(2,695)</u>	<u>(2,158)</u>
Total assets less current liabilities		80,878	77,967
Less: Creditors: amounts falling due after more than one year	16	<u>(33,854)</u>	<u>(36,735)</u>
		47,024	41,232
Provisions			
Holiday Pay Provision	17	(988)	(979)
Pension Provision	19	(6,315)	(18,675)
Net Assets including pension liability		<u>39,721</u>	<u>21,578</u>
Unrestricted Reserves			
Income and expenditure reserve		3,581	3,025
Pension Reserve		(6,315)	(18,675)
Revaluation Reserve		<u>42,455</u>	<u>37,228</u>
TOTAL		<u>39,721</u>	<u>21,578</u>

The financial statements on pages 54 to 93 were approved by the Governing Body of the North West Regional College on 24th November 2022 and were signed on its behalf by:

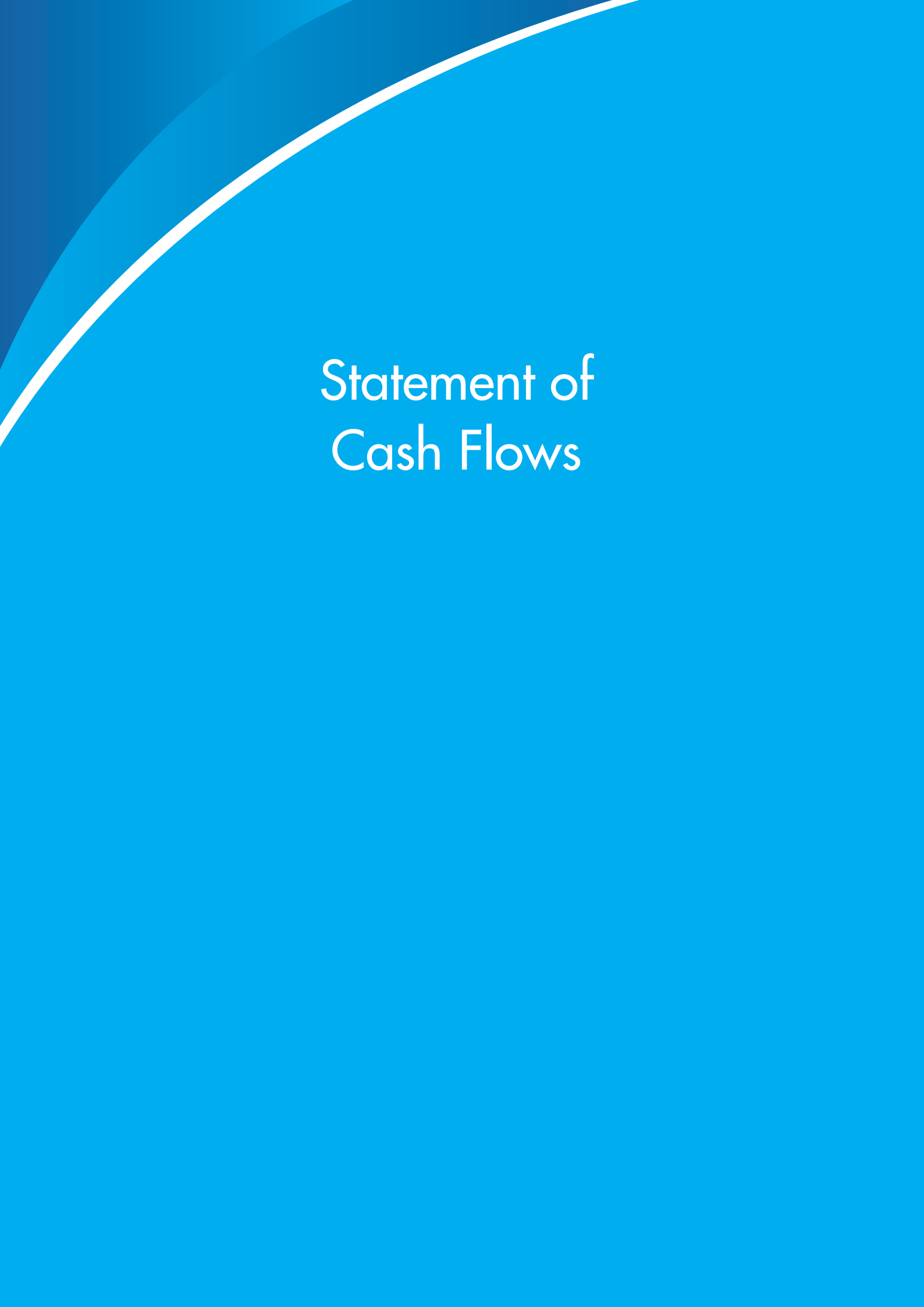


Mrs J McKeever
Chair of Governing Body
North West Regional College



Mr L Murphy
Accounting Officer
North West Regional College

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

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Statement of Cash Flows

**NORTH WEST REGIONAL COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2022**

	Notes	2022 £'000	2021 £'000
Cash outflow from operating activities			
Deficit for the year		(3,857)	(3,164)
Adjustment for non-cash items			
Depreciation	11 & 12	3,639	3,492
Gain on disposal of assets		(24)	
(Increase)/Decrease in debtors		624	(1,019)
Increase/(Decrease) in creditors		(1,851)	1,352
NILGOSC FRS 102 (28) Pension Adjustment		3,218	2,962
Movement in Holiday Pay Provision		9	(246)
Adjustment for investing or financing activities			
Interest payable	9	609	746
Deferred Capital Grants release	1	(2,032)	(1,901)
Net cash inflow from operating activities		335	2,222
Cash flows from investing activities			
Investment interest		-	-
Proceeds from sale of assets		24	22
Payments made to acquire fixed assets		(665)	(1,574)
Capital Grants Received		894	1,995
		253	443
Cash outflows from financing activities			
Interest element of finance lease and service concession payments	9	(609)	(746)
Capital element from lease		(1,269)	(1,095)
		(1,878)	(1,841)
Increase in cash and cash equivalents in the year	18	(1,290)	824
Net funds at 1 August 2021		5,784	4,960
Net funds at 31 July 2022		4,494	5,784

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.

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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 2022**

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.

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 2022**

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 2022

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 2022

- **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 2022

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 24, 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 2022**

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 19.

Property, Plant and Equipment

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

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

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

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

Financial Instruments

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

The background is a solid blue color. A thick white curved line starts from the left edge and curves upwards and to the right, creating a dynamic, modern look.

Notes to the Financial Statements

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

1. DEPARTMENT FOR THE ECONOMY INCOME

	2022	2021
	£'000	£'000
Grant in Aid Received from DfE		
Recurrent grant	28,290	27,332
Release of deferred capital grant	2,032	1,901
Skills Focus	389	442
Minor Works	1	108
Employer Support Program	397	329
Private Finance Initiative (PFI)	1,647	1,612
Additional Support Funds	438	398
ERAP	305	-
Traineeships	214	-
	<hr/>	<hr/>
Grant In Aid Items	33,713	32,122
	<hr/>	<hr/>
Non-Grant in Aid received from DfE		
Educational Maintenance Allowance Administration	17	19
Higher Level Apprenticeships	205	252
Skills Intervention Funding	431	533
Academies	248	99
College Connect	82	120
FE Systems, Technology & Services Project	371	742
Welding Academy	-	46
Curriculum Hub – Health & Social Care	7	37
Other	124	42
	<hr/>	<hr/>
Non-grant in Aid Items	1,485	1,890
	<hr/>	<hr/>
Total DfE income	35,198	34,012
	<hr/>	<hr/>

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

2. EDUCATION CONTRACTS	2022	2021
	£'000	£'000
Entitlement Framework	408	419
Training for Success	1,778	2,354
Total	2,186	2,773

3. TUITION FEES AND CHARGES	2022	2021
	£'000	£'000
Higher Education (HE) Income	1,157	1,375
Further Education (FE) Income	656	474
Total	1,813	1,849

Included within the above amounts are amounts which fund bursaries of £53k (2020/21: £59k)

4. OTHER GRANT INCOME	2022	2021
	£'000	£'000
European Funds	151	34
Other Funds	819	759
Total	970	793

5. OTHER OPERATING INCOME	2022	2021
	£'000	£'000
Catering and residence operations	146	24
Other income generating activities	969	905
Other income	172	60
Total	1,287	989

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

6. STAFF COSTS

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

	2022	2021
	Number	Number
Teaching	326	323
Support	75	72
Administration	194	186
Premises	23	24
	<hr/>	<hr/>
Total	618	605
	<hr/>	<hr/>
Staff costs for the above persons:	2022	2021
	£'000	£'000
Teaching	15,459	14,745
Support	2,328	2,287
Administration	7,555	6,876
Premises	730	740
FRS 17 Adjustment (see Note 19)	2,877	2,670
	<hr/>	<hr/>
Total	28,949	27,318
	<hr/>	<hr/>
	2022	2021
	£'000	£'000
Wages and salaries	19,890	18,875
Social security costs	1,973	1,781
Movement in Pension	2,877	2,670
Other pension costs	4,209	3,992
	<hr/>	<hr/>
Total	28,949	27,318
	<hr/>	<hr/>

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

6. 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	
	2022 No.	2021 No.	2022 No.	2021 No.
£60,001 to £70,000	-	-	19	11
£70,001 to £80,000	-	-	13	4
£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	1	-	-
£150,001 to £160,000	-	-	-	-
	2	2	32	15

Support staff were awarded a 1.75% payrise from April 2021 which was paid in May 2022. Lecturing staff were awarded a 2% payrise from September 2019 plus 2% from September 2020 which was paid in March 2022.

7. 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.

	2022 Number	2021 Number
The number of senior post-holders including the Principal & Chief Executive who served during the year was:	3	2

Dr Catherine O'Mullan took up post as Director of Curriculum & Academic Standards on 1st April 2022.

	2022 £'000	2021 £'000
Senior post-holders' emoluments are made up as follows:		
Salaries	236	202
Pension contributions	48	46
Total Emoluments	284	248

Senior staff were awarded a payrise of 1% from September 2020 which was paid in January 2022.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

7. 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:

	2022	2021
	£'000	£'000
Salaries	118	117
Benefits in kind	-	-
	<u>118</u>	<u>117</u>
Pension contributions	30	29
	<u>30</u>	<u>29</u>
Total	<u>148</u>	<u>146</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.

8. OTHER OPERATING EXPENSES

	2022	2021
	£'000	£'000
Direct Teaching	841	650
Direct Support	2,279	2,375
Administration	2,046	2,546
Premises	5,083	4,966
Unitary payments under PFI contract	1,539	1,463
	<u>11,788</u>	<u>12,000</u>
Interest and Other Finance Costs	341	292
Interest element of Finance Lease	609	746
	<u>609</u>	<u>746</u>
Total	<u>12,738</u>	<u>13,038</u>

Other operating expenses include:

Auditors' remuneration		
- external audit	27	24
- internal audit	23	20
Remuneration of Governing Body members	46	40
Hire of other assets-operating leases	35	35
	<u>131</u>	<u>119</u>

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

	2022	2021
	£'000	£'000
9. INTEREST AND OTHER FINANCE COSTS		
On finance leases	609	746
Net charge on pension scheme	<u>341</u>	<u>292</u>
Total	<u>950</u>	<u>1,038</u>

10. 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 2022**

11. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £'000	PFI Assets £'000	Plant & Equipment £'000	Computers £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
<u>Cost or valuation</u>							
At 1 August 2021	69,496	13,115	5,884	3,100	374	85	92,054
Elimination of depn on revaluation	(4,574)	(713)	-	-	-	-	(5,287)
Additions	(16)	-	342	299	-	-	625
Revaluations	5,657	795	-	-	-	-	6,422
Disposals	-	-	(84)	-	-	-	(84)
At 31 July 2022	70,533	13,197	6,142	3,399	374	85	93,730
<u>Depreciation</u>							
At 1 August 2021	2,274	2,632	4,347	2,677	320	85	12,335
Elimination of depn on revaluation	(4,574)	(713)	-	-	-	-	(5,287)
Charge for the year	2,300	500	516	234	12	-	3,562
Disposals	-	-	(84)	-	-	-	(84)
At 31 July 2022	-	2,419	4,779	2,911	332	85	10,526
Net Book Value							
At 31 July 2022	70,533	10,778	1,363	488	42	-	83,204
Net Book Value							
At 31 July 2021	67,222	10,483	1,537	423	54	-	79,719

LAND AND BUILDINGS VALUE

If land and buildings (including those that were inherited/transferred) had not been revalued, they would have been included at the following amounts:

	2022 £'000	2021 £'000
Land & Buildings		
Cost/Deemed cost on transition	65,612	65,628
Accumulated depreciation based on cost/deemed cost	(10,873)	(9,880)
Net book value based on cost/deemed cost	54,739	55,748
	2022 £'000	2021 £'000
PFI Buildings		
Cost/Deemed cost on transition	9,834	9,834
Accumulated depreciation based on cost/deemed cost	(2,640)	(2,440)
Net book value based on cost/deemed cost	7,194	7,394

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

11. TANGIBLE FIXED ASSETS (Continued)

Land and buildings were subject to a full revaluation in July 2022 on a depreciated replacement cost basis except for Maydown which was valued using the Market Value basis. The valuations were performed independently by Land and Property Services.

	2022	2021
	£'000	£'000
The depreciation charge for the year is analysed as follows:		
Owned assets	3,062	2,980
PFI assets	500	493
	<hr/>	<hr/>
	3,562	3,473
	<hr/>	<hr/>

12. INTANGIBLE FIXED ASSETS

	Learner Management System
	£'000
Cost or valuation	
At 1 August 2021	425
Additions	40
Transfer	-
	<hr/>
	465
Amortisation	
At 1 August 2021	19
Charge for the year	77
	<hr/>
	96
Net book value at 31 July 2022	<hr/>
	369
Net book value at 31 July 2021	<hr/>
	406

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 2022**

13. SERVICE CONCESSION ARRANGEMENTS

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

The arrangement relates to the design, build and maintenance, for 25 years, of the Northland Building.

Capital repayments are being made over a 25-year period which is due to end in 2026.

Movement in service concession arrangement assets

The asset value of the service concession included in the Statement of Financial Position as at 31 July 2022 is £10,778k (2020/21: £10,483k). See Note 11.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2022 were £3,618k (2020/21: £4,887k). The sum of £1,269k 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	1,464	2,154	-	3,618
Finance charge	451	444	-	895
Service charge	1,806	4,762	-	6,568
	3,721	7,360	-	11,081

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

14. TRADE & OTHER RECEIVABLES	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	318	403
Other receivables	110	167
Prepayments and accrued income	2,038	2,741
Total	2,466	3,311
Amounts falling due after one year:		
Surplus land receivable arising on PFI contract*	90	120
Total Receivables	2,556	3,431

**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 2022**

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

	2022	2021
	£'000	£'000
Service concession arrangements	1,464	1,269
Trade creditors	339	841
Taxation and social security	708	725
Accruals and deferred income	7,234	8,538
	9,745	11,373

Deferred income

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

	2022	2021
	£'000	£'000
Grant income	1,683	2,252
Other income	333	776
Total	2,016	3,028

16. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR:

	2022	2021
	£'000	£'000
Deferred income	31,700	33,117
Service concession liabilities due after one year	2,154	3,618
Total Creditors after one year	33,854	36,735

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

17. PROVISIONS FOR LIABILITIES AND CHARGES

	2022	2021
	£'000	£'000
At 1 st August 2021	979	1,225
Additions in year	9	-
Amounts charged against provision during year	-	-
Unused amounts reversed in year	-	(246)
At 31st July 2022	988	979

The provision year 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. In 2021, the case was paused to facilitate mediation. In March 2022, the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The mediation process continues, but the case has been re-listed with the UK Supreme Court on 14 and 15 December 2022. 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 £988k 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).

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

1. The appeal to the Supreme Court (as detailed 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. The provision is gross (inclusive of Employee National Insurance and PAYE) a and
6. Taxation issues are under discussion with HMRC, by the wider NI public sector.

Therefore, the estimated provision outline above is based on the application of DoF methodology, 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 2022**

18. CASH AND CASH EQUIVALENTS	At 1 August 2021	Cash Flows	At 31 July 2022
	£'000	£'000	£'000
Cash and Cash equivalents at 31 July 2022	5,784	(1,290)	4,494

19. 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.

Total pension cost for the year:	2022	2021
	£'000	£'000
NITPS: contributions paid	2,858	2,696
NEST: contributions paid	18	19
NILGOSC: Contributions paid	1,399	1,277
NILGOSC: FRS 17 Adjustments	2,877	2,670
NILGOSC: Charge to the Statement of Comprehensive Income & Expenditure	4,276	3,947
Total Pension Cost for Year	7,152	6,662

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 2016 and NILGOSC was 31 March 2019.

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

19. 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 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%
£59,866 to £81,661	11.3%
£81,662 and above	11.7%

Salary	1 April 2022 - 31 March 2023
Up to £29,188	7.4%
£29,188 to £39,291	8.6%
£39,291 to £46,587	9.6%
£46,587 to £61,743	10.2%
£61,743 to £84,194	11.3%
£84,194 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 2022**

19. 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 2022 by a qualified actuary.

Principal actuarial assumptions	At 31 July 2022	At 31 July 2021
Principal actuarial assumptions at SoFP date are as follows:		
	%	%
Rate of increase in salaries	4.25	4.1
Rate of increase for pensions in payment/inflation	2.75	2.6
Pension accounts revaluation rate	2.75	2.6
Discount rates for scheme liabilities	3.55	1.7

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 2022	At 31 July 2021
Members aged 45 at accounting date		
Males	22.8 years	23.3 years
Females	26.1 years	26.5 years
Members aged 65 at accounting date		
Males	21.8 years	21.9 years
Females	25.1 years	25.1 years

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

19. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	Asset Allocation at 31 July 2022	Value at 31 July 2022	Asset Allocation at 31 July 2021	Value at 31 July 2021
	%	£'000	%	£'000
Equities	38.6	14,382	43.2	16,712
Bonds	25.1	9,359	40.0	15,473
Property	12.3	4,565	8.9	3,443
Multi-asset credit	12.7	4,731	0.0	-
Cash/Other	11.3	4,206	7.9	3,056
Total Market Value of Assets		37,243		38,684

	2022	2021
	£'000	£'000
Amounts recognised in the SoFP		
Fair value of plan assets	37,243	38,684
Present value of scheme liabilities	(43,558)	(57,359)
Deficit in the scheme (Net pension liability recorded within pension provisions)	(6,315)	(18,675)

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

	2022	2021
	£'000	£'000
Amounts included in staff costs		
Current service cost	4,196	3,948
Past service cost	80	7
Curtailment cost	-	-
Total operating charge	4,276	3,955

	2022	2021
	£'000	£'000
Analysis of pension finance income / (costs)		
Interest income on assets	(667)	(456)
Interest cost	1,008	748
Net charge	341	292

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

19. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Analysis of Other Comprehensive Income and Expenditure for Pensions

	2022	2021
	£'000	£'000
Remeasurement gains/(losses) on pension scheme assets	17,750	5,209
Actuarial gains/(losses) on scheme liabilities	(2,172)	593
Total Other Comprehensive Income and Expenditure	15,578	5,802

Movement in deficit during the year

	2022	2021
	£'000	£'000
Deficit in scheme at 1 August 2021	(18,675)	(21,515)
Movement in the year:		
Current service cost	(4,196)	(3,948)
Employer contributions	1,399	1,285
Past service cost/gain	(80)	(7)
Curtailment cost	-	-
Net interest	(341)	(292)
Actuarial gain or (loss) recognised in other Comprehensive Income and Expenditure	15,578	5,802
Deficit in scheme at 31 July 2022	(6,315)	(18,675)

Asset and Liability Reconciliation

	2022	2021
	£'000	£'000
Reconciliation of Liabilities:		
Liabilities at start of period	57,359	53,568
Service cost	4,196	3,948
Interest cost	1,008	748
Employee contributions	440	409
Actuarial (gain)/loss	(18,778)	(593)
Benefits paid	(747)	(728)
Past service cost	80	7
Curtailment cost	-	-
Liabilities at end of period	43,558	57,359

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

19. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

	2022	2021
	£'000	£'000
Reconciliation of Assets:		
Assets at start of period	38,684	32,053
Interest Income	667	456
Remeasurement gain/(loss)	(3,200)	5,209
Employer contributions	1,399	1,285
Employee contributions	440	409
Benefits paid	(747)	(728)
	<hr/>	<hr/>
Assets at end of period	37,243	38,684

The estimated value of employer contributions for the year ended 31 July 2023 is £1,419k.

20. EVENTS AFTER THE END OF THE REPORTING DATE

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

21. CAPITAL COMMITMENTS

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 2022**

22. FINANCIAL COMMITMENTS

At 31 July 2022 the College had annual commitments under non-cancellable operating leases as follows:

	2022	2021
	£'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	33	68
Expiring in over five years	-	-
	<hr/>	<hr/>
	68	103
LESSOR:		
Land and Buildings:		
Expiring within one year	-	6
Expiring within two and five years inclusive	-	2
	<hr/>	<hr/>
	-	8
	<hr/>	<hr/>

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

23. 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	2022	2021	Amount	Amount
		Related Organisation	Amount Paid	Amount Paid	Outstanding	Outstanding
			(Income)	(Income)	At 31 July 2022	At 31 July 2021
			£'000	£'000	£'000	£'000
Derry City & Strabane District Council	Mr S Gillespie	Director	6	1	-	-
			(8)	(5)	-	-
Invest NI	Ms M Gormley	Senior Manager	(79)	(115)	-	-
Invest NI	Mr K Kennedy	Board Member	(79)	(115)	-	-
			8	15		
Education Authority (Ballymena)	Mr B Quinn	Senior Architect	(72)	(84)		(10)

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

23. RELATED PARTY TRANSACTIONS (CONTINUED)

Related Organisation	Governor	Position In	2022	2021	Amount	Amount
		Related Organisation	Amount Paid	Amount Paid	Outstanding	Outstanding
			(Income)	(Income)	At 31 July 2022	At 31 July 2021
			£'000	£'000	£'000	£'000
			(2)	-	-	-
Fin Tru	Mr P Canavan	Advisory Board Member				
Invest NI	Mr P Canavan	Board Member	(79)	(115)		(5)
Causeway Coast & Glens Borough Council	Mr P Thompson	Employee	1	n/a	-	n/a
Ulster University	Prof M O'Neill	Provost	206	222	-	-
			(81)	(84)	(11)	(11)

**NORTH WEST REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022**

24. AGENCY ARRANGEMENTS

	2022	2021
	£'000	£'000
(a) Support Funds		
Balance unspent at 1 August 2021	28	-
DfE grants	396	387
Interest earned	-	-
	<u>424</u>	<u>387</u>
Disbursed to students	(296)	(358)
Audit fees	(1)	(1)
	<u>(1)</u>	<u>(1)</u>
Balance unspent at 31 July 2022	<u>127</u>	<u>28</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.

	2022	2021
	£'000	£'000
(b) Care to Learn		
DfE Grants	4	14
Disbursed to childcare providers	(4)	(14)
	<u>-</u>	<u>-</u>

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.

	2022	2021
	£'000	£'000
(c) Covid Disruption Payments		
Balance unspent at 31 July 2021	12	-
DfE grants	-	243
Disbursed to students	-	(231)
Repaid to DfE	(12)	-
Balance unspent at 31 July 2022	<u>-</u>	<u>12</u>

The College acted on behalf of DfE to distribute COVID Study Disruption Scheme payments in 2020/21. 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 was repaid to DfE in 2021/22.

NORTH WEST REGIONAL COLLEGE NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2022

25. LOSSES & SPECIAL PAYMENTS

The College wrote off £12,787 in 2021/22 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 DfE. 3 debts written off were individually greater than £2,000. These were approved by DfE

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

The total number of cases written off was 29.

There was also 1 special payment made in the year of £5.5k.

26. THIRD PARTY ASSET

The College holds a bank account on behalf of the Students' Union and at 31st July 2022 the balance in the account was £63 (£2.9k at 31st July 2021). 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 2022**

27. 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	2022 £'000	2021 £'000
INCOME			
DfE income (non grant-in-aid items)	1	1,485	1,890
Education contracts	2	2,186	2,773
Tuition fees and charges	3	1,813	1,849
Other grant income	4	970	793
Other operating income	5	1,287	989
Endowment and Investment income		-	-
Profit on disposal of assets		24	22
Total incoming resources		7,765	8,316
EXPENDITURE			
Staff costs	6	28,949	27,318
Other operating expenses	8	11,788	12,000
Depreciation/Loss on disposal of fixed assets	11&12	3,639	3,492
Exceptional costs	17	9	(246)
Interest and other finance costs	9	950	1,038
Total resources expended		45,335	43,602
Net deficit for the year		(37,570)	(35,286)
Unrealised surplus on revaluation of land and buildings		6,422	631
Actuarial gain in respect of pension scheme		15,578	5,802
Amount transferred to reserves		(15,570)	(28,853)
Analysis of reserves prepared under FReM		2022	2021
		£'000	£'000
Balance at 1 August 2021		21,578	18,309
Grant-in-aid received in year	1	33,713	32,122
Net operating cost for year		(15,570)	(28,853)
Balance at 31 July 2022		39,721	21,578

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 30th November 2022



north west
regional college

Derry-Londonderry • Limavady • Strabane

