



**NORTHERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

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NORTHERN REGIONAL COLLEGE OPERATING AND FINANCIAL REVIEW FOR THE YEAR ENDED 31 JULY 2009

Introduction

Northern Regional College (the College) is an autonomous organisation established under the Further Education (Northern Ireland) Order 1997. The College was established on the 1st August 2007 by the merger of the Causeway Institute, East Antrim Institute of Further and Higher Education and North East Institute of Further and Higher Education. The College covers campuses currently at Antrim, Ballymena, Ballymoney, Coleraine, Felden, Larne, Magherafelt and Newtownabbey.

Vision Statement

The College provides an inclusive and supportive quality lifelong learning experience. It strives to be at the heart of the community and is proud to value and to make a positive impact on students, staff and the local, regional and international economy.

Organisational Core Values

As a teaching and learning organisation the Northern Regional College will be:

- Committed to respecting and supporting others
- Creative and innovative
- Customer focused
- Striving for Excellence
- Valuing staff and team work

Personal Work Core Values

Members of staff within the Northern Regional College are required to display the following personal work values in their every day work:

- Responsibility
- Integrity
- Openness and transparency
- Reflective practice
- Respect

The College has one all embracing organisational and personal work core value of :

'promoting communication and positive action'.

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Strategic Objectives

The strategic objectives for the College for 08/09, and the progress against these objectives were as follows:

Strategic Objectives 2008-09	Progress at 31 July 2009
1 Develop a curriculum which is focused on economic engagement and which is aligned to the needs of business, industry and the community.	Initial curriculum review completed. New contract draft timetables issued at end of June. Agreed Contract to be implemented in 2009/10. Economic Engagement network established, but to be kept under review. Support for Workforce Development Forum ongoing Funding secured under Innovation Fund to support response to economic downturn.
2 Develop an organisation and management structure appropriate to the needs of the new College.	New management structure embedded – management training to continue.
3. Implement the approved ILT Strategy and address data management issues across all areas of the college activity.	ILT Strategy completed. Progress against action plan to be monitored.
4 Develop an Estates Strategy appropriate to the strategic development of the college.	Arrangements to progress Economic Appraisal along with 5 year Financial Plan to be agreed with DEL.
5 Ensure financial stability in order to support the achievement of the college's strategic agenda.	Agreement with DEL to proceed to production of 5 year Business Improvement Plan.
6 Develop and support the continuous improvement of the entire student learning experience.	Inspection follow-up action plans drafted. Project dissemination to support self evaluation process during 2009/10.

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The strategic objectives for the years 2009-12 are as follows:

Strategic Objectives 2009 – 2012
1. Develop and support the continuous improvement of the quality of the entire student experience.
2. Develop and deliver a curriculum and associated provision which is aligned to the needs of business, industry and the community.
3. Establish, support and embed an organisational and management culture in line with the College's vision and values.
4. Implement the approved ILT Strategy and address data management issues across all areas of the college activity.
5. Establish and progress an approved estates strategy appropriate to the strategic development of the College.
6. Ensure financial stability in order to support the achievement of the College's strategic agenda.

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Review of Performance in 2008/09

At a bilateral meeting with DEL officials, the College's College Development Plan (CDP) performance in 2008/09 was reviewed and projections for 2009/10 were agreed.

The performance for 2008/09 can be summarised as follows:

08/09	FLUs	
	Target	Actual
Total excluding essential skills	6,069	5,595
Essential skills	346	327

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Financial Objectives and Results

The College generated a deficit on continuing operations in the year of £2,617k (2007/08 – deficit of £1,966k).

The College reported a historic cost deficit outturn of £1,305k compared with the College's original estimated deficit, as per the College Development Plan, of £981k. The original estimated budget did not include the FRS 17 adjustment of £459k included in the Income and Expenditure Account.

The College has two subsidiaries, Causeway Childcare Ltd, a dormant company, and ABEC Ltd, a nursery within the Larne campus. Causeway Childcare Limited owed NRC £nil at 31 July 09 after the College wrote off £83,700 as bad debt and ABEC Ltd owed NRC £14k at 31 July 09. The Causeway Childcare Limited is due to be struck off the Companies Register during 2009/10.

The College has an accumulated deficit on the income and expenditure reserve of £6,521k and cash balances of £5,397k.

The College places significant reliance on DEL for its principal funding source, largely from recurrent grants. In 2008/09, DEL provided 67% (07/08:62%) of the College's total income through allocated recurrent grant. This represented 15% of the total recurrent grant available to the sector.

The College has tangible fixed assets with a net book value of £58,586k. Land and buildings were subject to a professional valuation by Land and Property Services (LPS) on 1 August 2007. These valuations were then adjusted by indices provided by LPS to establish valuations at 31 July 2008 and 31 July 2009 for the financial statements. In a difficult market and with limited sales evidence, the indices were determined using a consensus of valuer opinion and it was agreed that a reduction in land value of 40% between 1 August 2007 and 31 July 2008 and 10% for buildings and 10% for land for the period between 1 August 2008 and 31 July 2009 was appropriate for the values placed on the sites of Further Education Colleges. LPS had no evidence to show any differential geographical changes in value and these indices have therefore been applied to all of the Further Education Colleges in Northern Ireland for their 2008/09 financial statements.

Reserves

The College has accumulated income and expenditure reserves, excluding pension reserves, of £2,935k (£3,781k – 2008) and cash balances of £5,397k (£7,686k – 2008). This is within the acceptable levels of Reserves, as detailed by the Financial Memorandum.

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Treasury Policies and Objectives

Treasury Management

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

Cash Flows

The College's operating cash outflow was (£2,378k), (2007/08 £661k).

Student Activities

The College had a total of 23,277 enrolments in 2008/09 (2007/08: 20,670), including 4,505 full-time and 18,772 part-time students. This represented an increase of 11% in enrolments.

Curriculum Developments

In 2008/09 the restructuring of the curriculum management team was completed with the appointment of the senior lecturers and the ILT advisers. The new line management structure was successfully implemented.

Enrolments in 2008/09 rose for full-time FE courses but decreased in part-time courses and remained the same in HE courses. The main trends:

- After a very good year for recruitment in 2007/08, the downturn in the construction industry affected figures in the Built Environment in 2008/09;
- The long term slow decline in Engineering recruitment was halted in 2008/09 but it is too early to say if this is sustainable or what the reasons for the upturn might be;
- IT, Media and Performing Arts recruited well – the reputation and practical bias bias of these courses were contributory factors;
- Hospitality and Catering showed a very small increase in recruitment but the overall numbers still gave cause for concern;

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Curriculum Developments (cont'd.)

- Recruitment to Social Care and Early Years courses was affected by the increasing tendency to offer these courses in schools and in school-to-school collaboration. This was, however, at least partially offset by the schools purchasing the delivery of the courses from NRC;
- Hairdressing and Beauty Therapy enrolments continued to grow and the new facilities on the Ballymoney Campus contributed to this;
- There were strong increases in Priority Skills areas such as Engineering and IT.

A major review of the curriculum provision took place during 2008/09 to determine the viability, both educationally and financially, of the provision. The review was used to plan the curriculum offer for 2009/10. Plans were also put in place to increase recruitment to full-time HE courses.

Partnerships with schools on the Entitlement Framework continued during 2008/09 with the same level of activity as in 2007/08.

Payment Performance

The College is committed to the prompt payment of suppliers of goods and services in accordance with the Confederation of British Industry's prompt payers code and British Standard BS 7890.

Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, on presentation of a valid invoice or similar demand, which ever is later.

In the year ended 31 July 2009 46% of invoices from suppliers were paid within the timescale noted above. No amounts were paid to suppliers in interest under the Late Payment of Commercial Debts (Interest) Act 1998. The payment percentage is low due to the consolidation of our financial processes during the year. From August 2009 to October 2009 70% of invoices were paid within the timescale. The College is committed to continuing to increase this figure.

Post Balance Sheet Events

There were no significant post balance sheet events.

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Future Developments

Historically three economic appraisals of the options available for the future provision of fit for purpose accommodation at the College were carried out. The result is that the preferred options for future development is the provision of:

- a new Skills Centre in Newtownabbey to replace the current Felden campus;
- a new fit for purpose facility in Coleraine to replace the current Coleraine and Ballymoney campuses;
- a new fit for purpose facility in Antrim;
- a single site in Ballymena; and
- the retention of the Magherafelt campus with planned maintenance and approved major and minor works.

The Skills Centre in Newtownabbey began construction in June 2009 and is due to be completed by September 2010.

A business improvement plan was commissioned by the College in August 2009. This plan will identify the future curriculum, staffing and accommodation needs of the College. This plan will include a Schedule of Accommodation to reflect service future provision. Once this Schedule of Accommodation is completed plans for the remainder of the estates strategy will be finalised.

Resources

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

Estate

The College's estate includes campuses at:

Campus	Net Book Value £'000
Antrim	11,420
Ballymena – Farm Lodge	13,805
Ballymena – Trostan Avenue	3,988
Ballymoney	2,896
Coleraine	4,624
Felden (owned by DEL)	-
Larne	2,574
Magherafelt	5,069
Newtownabbey	13,731
Portrush (currently not utilised)	135
Total	58,242

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Resources (cont'd.)

Financial

Net assets at 31 July 2009 were £52m (2008: £65m) (including £9.5 net pension liability).

People

The College employs 760 people (2008:795) (expressed as full time equivalents), of whom 450 are teaching staff.

Principal Risks and Uncertainties

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

Based on the strategic plan, 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 appraisal will review their effectiveness and progress against risk mitigation actions.

A risk register is maintained at the College level which is reviewed at each Audit Committee meeting. 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.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Recruitment of staff and quality of teaching
2. Financial constraints resulting in services not being effectively delivered or DEL break-even target not being achieved
3. The staff profile will not support College objectives
4. The College Estate is not fit for purpose to meet College objectives
5. Training for Success Programme not achieving targets in a cost effective manner
6. Harmonisation of procedures not in place
7. Changes to DEL policy and related funding
8. Decline in PT enrolments
9. Lack of Contingency Planning
10. Adequacy of banking services as a result of current economic climate

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Stakeholder Relationships

In line with other colleges and with universities, the College has many stakeholders. These include:

- students;
- the Department for Employment and Learning;
- staff;
- local employers (with specific links);
- local Councils;
- local schools;
- universities;
- Workforce Development Forum;
- Government Offices/ Regional Development Agencies;
- the local community;
- other FE institutions;
- Trade Unions; and
- professional bodies.

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

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 membership of the Governing Body.

Equality of Opportunity and Employment of Disabled Persons

By virtue of Section 75 of the Northern Ireland Act 1998, Northern Regional College in carrying out all its functions, powers and duties as required, has 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.

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Equality of Opportunity and Employment of Disabled Persons (cont'd.)

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.

Finances and Going Concern

The Governing Body is satisfied that the College is a going concern on the basis that it has a reasonable expectation that the College will continue in operation for the foreseeable future. The financial statements are therefore prepared on the going concern basis.

Disclosure of Information to Auditors

These accounts are subject to audit under legislation 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.

Charitable and Taxation Status

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

Charitable/Political Donations

The College made no charitable or political donations during the year (2008: nil).

Professional Advisers

External Auditors: Northern Ireland Audit Office
106 University Street
Belfast
BT7 1EU

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Professional Advisers (cont'd)

Internal Auditors: PricewaterhouseCoopers
Waterfront Plaza
8 Laganbank Road
BELFAST
BT1 3LR

Bankers: Northern Bank
1-2 Broadway
Ballymena
BT43 6EA

Legal Advisors: J Blair
Employment Law Solicitor
46 Hill St
Belfast
BT1 2LB

King & Gowdy
298 Upper Newtownards Rd
Belfast
BT4 3EU

Carson McDowell
Murray House
4 Murray Street
Belfast
BT1 6DN

**NORTHERN REGIONAL COLLEGE
OPERATING AND FINANCIAL REVIEW
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Members

The members who served on the Governing Body from 1 August 2008 to 31 July 2009 are as follows:

Mrs K Collins (Acting Chair)
Mrs AM Campbell
Mr S Davidson
Ms J Fullerton
Alderman P J McAvoy
Mr P McCudden
Mr T Neilands (Director)
Ms A Rankin
Mrs L Wallis
Mr A Henderson (Student Representative)
Mr A Watt (Staff Representative)
Ms C O'Neill (Staff Representative)
Mrs U O'Kane
Mr L Caul (resigned 20 May 2009)
Rev. T Jamieson

All members served from 1 August 2008 to 31 July 2009 unless otherwise indicated.

Secretary to the Governing Body

Mr James Hunter acted as Secretary to the Governing Body throughout the year.

For and on behalf of the members of the Governing Body of the Northern Regional College.

Acting Chair
Northern Regional College

Date

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

Members of the Governing Body

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

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

The posts of Members of the Governing Body and the Chairman carry no remuneration or payment of bonus.

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

The Director and Senior Management Team

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

The Director and Senior Management Team hold permanent appointments. The normal retiring age is 65, although staff may retire at any time after age 60 with no diminution of earned pension benefits. 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 Directors as they are paid on a one-point scale according to college size. However, if the college size changes they will automatically move to that new salary point.

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

At initial appointment, Deputy 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 Deputy Directors. If the college increases in size a Deputy Director will automatically move to the new relevant salary scale.

Performance Pay

There is no performance pay or related scheme for any of the Deputy Directors, although this may be reviewed following the merger process. The Director was awarded a Performance Related Pay award when employed as the Director of North East Institute. This PRP award has been carried forward to his current post. The Director was paid PRP of £1,560 during the year (2007/08: £1,560).

Total Reward Package

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

Senior staff posts are based on 36 hours per week and postholders have access to the colleges Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

Senior Staff have 33 or 35 days holiday entitlement and a further 13 or 12 customary holidays as recognised by the sector.

**NORTHERN REGIONAL COLLEGE
REMUNERATION REPORT**

Salary

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

Remuneration	2008-09		2007-08	
	Salary £'000	Benefits in Kind £'000	Salary £'000	Benefits in kind £'00
Director	105 - 110	-	100 - 105	-
Deputy Director Curriculum	70 - 75	-	65 - 70	-
Deputy Director Planning & Resources	70 - 75	-	65 - 70	-
Deputy Director Support & Development	70 - 75	-	65 - 70	-
Director of Finance	65 - 70	-	60 - 65	-

1. The Director was appointed on 1 August 2007. Prior to this he was Director of the North East Institute of Further and Higher Education.
2. The Deputy Director Curriculum was appointed on 1 December 2007. Prior to this he was Deputy Director of Causeway Institute of Further and Higher Education.
3. The Deputy Director Planning & Resources was appointed on 1 December 2007. Prior to this she was Deputy Director of East Antrim Institute of Further and Higher Education.
4. The Deputy Director Support & Development was appointed on 1 December 2007. Prior to this she was a senior manager in the North East Institute of Further and Higher Education.
5. The Director of Finance was appointed on 1 December 2007. Prior to this she was a senior manager in the North East Institute of Further and Higher Education.

Salary includes gross salary; performance pay. There was no payment of bonuses, overtime, recruitment and retention allowances, private office allowances or any other allowance.

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Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument. No senior officials received any benefits in kind. The salary and pension entitlements of the most senior staff members of the College for the year ended 31 July 2009 are detailed below.

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 NIGOSC scheme are measured using closing market values. NIGOSC 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 statement of total recognised gains and losses.

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by a college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the college's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the LSC.

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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. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Officials	Accrued Pension at age 60 as at 31/07/09 and related lump sum	Real Increase in pension and related lump sum at age 60	CETV at 31/07/09	CETV at 31/07/08	Real Increase in CETV
	£'000	£'000	£'000	£'000	£'000
Director	172	3	992	903	83
Deputy Director Curriculum	114	2	642	569	68
Deputy Director Planning & Resources	101	1	572	530	38
Deputy Director Support & Development	74	2	342	287	50
Director of Finance	34	2	118	100	13

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

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.

NORTHERN REGIONAL COLLEGE CORPORATE GOVERNANCE AND ACCOUNTABILITY

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 autonomous 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.

Summary of the College's Structure of Corporate Governance

Governing Body

The College's Governing Body comprises lay and academic persons appointed under the Articles of the College, the majority of whom are non-executive. The role of the Chairman of the Governing Body is separate from the role of the College Director as Chief Executive. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Executive Officers are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College and its subsidiary companies. The Governing Body met 11 times during the 2008/09 year and has several committees, including a Finance and General Purposes Committee, a Staffing Committee and an Audit Committee. All of these committees are formally constituted with terms of reference and comprise mainly lay members of the Governing Body.

Audit Committee

The Audit Committee operates as an advisory body to the College's Governing Body and the Accounting Officer. The Audit Committee is responsible for reviewing the effectiveness of the College's accounting procedures and systems of internal control. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The Committee met 7 times during the 2008/09 year to discuss reports from the External and Internal Auditors and the relevant responses. It also receives and considers reports from the Department for Employment and Learning. 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 Committee as necessary, they are not members of the Committee. The Committee can meet with auditors on their own for independent discussions.

**NORTHERN REGIONAL COLLEGE
CORPORATE GOVERNANCE AND ACCOUNTABILITY**

Finance and General Purposes Committee

The Finance and General Purposes Committee inter alia supervises all matters relating to the finance and accounts of the College, the investment of its funds, the receipt of its income and the expenditure thereof. The Committee also advises the Governing Body on the raising and guaranteeing of loans. It is the duty of the Finance and General Purposes Committee to present a report of each meeting to the Governing Body.

Staffing Committee

The Staffing Committee is responsible for drawing up arrangements, for the recruitment, appointment and promotion of staff and ensuring that each member of staff serves under a contract of employment with the Governing Body. The Staffing Committee is also responsible for approving the emoluments of senior postholders.

Accounting Officer
Northern Regional College

Date

**NORTHERN REGIONAL COLLEGE
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2009**

The Governing Body of the College is required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the Department for Employment and Learning (the Department) and the Governing Body of the College, the Governing Body through its Chairman, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the College and to prevent and detect fraud and other irregularities.

The Governing Body is responsible for ensuring that funds from the Department are used only in accordance with the Financial Memorandum agreed with the Department and other conditions that the Department may from time to time prescribe. The Governing Body must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used only in accordance with the conditions under which they have been made available. In addition, the Governing Body is responsible for securing the economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Department are not put at risk.

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
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STATEMENT ON INTERNAL CONTROL

Scope of Responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and College assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting Northern Ireland.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Purpose of the System of Internal Control

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 ongoing process designed to identify the principal 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 in Northern Regional College for the year ended 31 July 2009 and up to the date of approval of the annual report and accords with DFP guidance. I have fully embedded the processes which the Department for Employment and Learning has agreed should be established and confirmed their robustness.

Capacity to Handle Risk

I have carried out 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.

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2009**

The Risk and Control Framework

The Governing Body has instructed that procedures are in place for verifying that aspects of risk management and internal control are regularly reviewed and reported on. There has been a full risk and control assessment before reporting on the year ending 31 July 2009. Risk management has been incorporated fully into the corporate planning and decision making processes of the College.

The Governing Body has received periodic reports concerning internal control. The appropriate steps have been taken to manage risks in significant areas of responsibility and progress on key projects has been monitored.

Following the identification of the College's key objectives and risks, further work has been done to bring about more consistency in the way in which the College treats risks.

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;
- maintain the organisation-wide risk register; and
- arrange for regular reports from the Heads of Departments on internal control activities.

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 Committee on a regular basis and have direct access to the Governing Body and to the Chairman of the Audit Committee. Internal Audit has issued an assurance statement to me that provides an opinion on the adequacy and effectiveness of distinct areas of the internal control system and the extent to which it can be relied upon.

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2009**

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the College who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Governing Body, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Internal Control Problems

Internal audit carried out reviews on a number of planned areas in the year 2008/09. The assurance rating by area reviewed is set out in the table below:

Key process	Assurance rating
Financial Controls	Satisfactory
Human Resources and Payroll	Substantial
Regulatory Compliance – Data Protection and Freedom of Information	Satisfactory
Risk Management, Corporate Governance and Budgetary Control	Substantial
Procurement and Contracting	Satisfactory
Estate Management, Maintenance Planning and Energy Management	Unacceptable

Progress on all priority 1 audit issues are reported to Audit Committee at each meeting.

In particular, an estates helpdesk is in the process of being set up to deal with estates maintenance issues in an effective and efficient manner. A new goods receipt procedure has been implemented to ensure security of assets upon arrival at the College. A full inventory has been completed during October 2009 and an asset policy and related procedures have been developed. This area was subsequently re-audited in November 2009 and received limited assurance.

Accounting Officer
Northern Regional College

Date

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

I certify that we have audited the financial statements of Northern Regional College (“the College”) for the year ended 31 July 2009 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. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Historical Cost Surpluses and Deficits and Statement of Total Recognised Gains and Losses and accounting policies set out within them.

Respective responsibilities of the Governing Body and Auditor

The Governing Body is responsible for preparing the Annual Report and 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 and the Department of Employment and Learning direction made thereunder and for ensuring the regularity of financials transactions. These responsibilities are set out in the Corporate Governance and Accountability Statement.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you our opinion as to whether the financial statements give a true and fair view and are properly 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 of Employment and Learning direction made thereunder. I report to you whether, in our opinion, the information included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the College has not kept proper accounting records, if I have not received all the information and explanations I require for my audit.

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

Respective responsibilities of the Governing Body and Auditor (cont'd)

I review whether the Statement on Internal Control reflects the College's compliance with the Department for Employment and Learning, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the College's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Governing Body and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to College's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by the Assembly and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

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

Opinion

In my opinion:

- the financial statements give a true and fair view, 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 directions made thereunder by the Department of Employment and Learning, of the state of affairs of the College as at 31 July 2009 and of the Colleges's deficit, cash flows and total recognised gains and losses for the year then ended;
- the financial statements have been properly 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 of Employment and Learning directions made thereunder; and
- information included within the Annual Report, is consistent with the financial statements.

Audit Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

K Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU

**NORTHERN REGIONAL COLLEGE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2009**

	Notes	2009 £'000	2008 £'000
Income			
Department for Employment & Learning grants	2	23,788	27,642
Education contracts	3	5,581	4,281
Tuition fees and charges	4	1,819	2,310
Other grant income	5	133	149
Other operating income	6	854	803
Investment income	7	128	363
		<hr/>	<hr/>
Total income		32,303	35,548
Expenditure			
Staff costs	8	24,045	24,348
Other operating expenses	10	8,730	9,544
Interest payable	11	267	33
Depreciation	15	1,748	1,885
		<hr/>	<hr/>
Total expenditure before exceptional items		34,790	35,810
		<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and before tax and before exceptional items		(2,487)	(262)
Exceptional items			
Exceptional restructuring costs (staff)	12	130	1,704
Exceptional restructuring costs (non-staff)	12	-	-
		<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and tax	14	(2,617)	(1,966)
		<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.

**NORTHERN REGIONAL COLLEGE
STATEMENT OF HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31 JULY 2009**

	Notes	2009 £'000	2008 £'000
Deficit on continuing operations after depreciation of assets at valuation	14	(2,617)	(1,966)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	24	1,312	1,307
		<hr/>	<hr/>
Historical cost deficit for the year		(1,305)	(659)
		<hr/>	<hr/>

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

**NORTHERN REGIONAL COLLEGE
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2009**

	Notes	2009 £'000	2008 £'000
Deficit on continuing operations after depreciation of assets at valuation and tax	14	(2,617)	(1,966)
Unrealised (deficit)/surplus on revaluation of properties	15	(6,517)	30,918
Actuarial loss in respect of pension scheme	26	(4,786)	(1,203)
		<hr/>	<hr/>
Total recognised (losses)/gains since last report		(13,920)	27,749
 Reconciliation			
Opening reserves		62,568	34,819
Total recognised (losses)/gains for the year		(13,920)	27,749
		<hr/>	<hr/>
Closing reserves		48,648	62,568
		<hr/>	<hr/>

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

**NORTHERN REGIONAL COLLEGE
BALANCE SHEET
AS AT 31 JULY 2009**

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	15	58,586	66,035
Current assets			
Debtors	17	1,865	1,974
Cash at bank and in hand	18	5,397	7,686
Total current assets		7,262	9,660
Less: Creditors - amounts falling due within one year	19	(4,424)	(6,127)
Net current assets		2,838	3,533
Total assets less current liabilities		61,424	69,568
Less : Creditors: amounts falling due after more than one year	20	-	-
Less: Provision for liabilities	21	(65)	(30)
NET ASSETS EXCLUDING PENSION LIABILITY		61,359	69,538
Net pension liability	26	(9,456)	(4,211)
NET ASSETS INCLUDING PENSION LIABILITY		51,903	65,327
Deferred capital grants	22	3,220	2,726
Endowments	23	36	33
Income and expenditure account excluding pension reserve	25	2,935	3,781
Pension reserve		(9,456)	(4,211)
Income and expenditure account including pension reserve		(6,521)	(430)
Revaluation reserve	24	55,168	62,998
Total reserves		48,647	62,568
TOTAL		51,903	65,327

**NORTHERN REGIONAL COLLEGE
BALANCE SHEET
AS AT 31 JULY 2009**

The financial statements on pages 29 to 63 were approved by the Governing Body of the Northern Regional College on 25th November 2009 and were signed on its behalf on that date by:

Acting Chair
Northern Regional College

Director
Northern Regional College

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

**NORTHERN REGIONAL COLLEGE
CASHFLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2009**

	Notes	2009 £'000	2008 £'000
Cash (outflow)/inflow from operating activities	28(i)	(2,379)	661
Returns on investment and servicing of finance	28(ii)	128	363
Taxation		-	-
Capital expenditure and financial investment	28(iii)	(38)	(152)
(Decrease)/Increase in cash in the year	28(iv)	(2,289)	872
		2009 £'000	2008 £'000
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash in the period		(2,289)	872
Cash outflow from repayment of finance leases		12	(5)
Movement in net funds in the period		(2,277)	867
Net funds at 1 August		7,674	6,807
Net funds at 31 July	28(iv)	5,397	7,674

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.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

1. STATEMENT OF ACCOUNTING POLICIES

Statement of Accounting Policies

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

Basis of Preparation

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable Accounting Standards under 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 Department for Employment and Learning (the 'Department').

Basis of Accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Basis of Consolidation

The College has two subsidiaries, Causeway Childcare Ltd, a dormant company, and ABEC Ltd, a nursery within the Larne campus. Causeway Childcare Limited owed NRC £nil at 31 July 09 and ABEC Ltd owed NRC £14k at 31 July 09. The Causeway Childcare Limited is due to be struck off the Companies Register during 2009/10.

The college is exempt from preparing group accounts on the grounds of materiality and consequently these financial statements present information about the college as an individual undertaking and not about its group.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

Recognition of income

The recurrent grant from DEL represents the funding allocations attributable to the current financial year and is credited direct to the income and expenditure account.

Non recurrent grants from DEL and other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the asset.

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

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

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

Pension scheme

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

The NITSS 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 NITSS 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 NITSS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NILGOSC is a defined benefit schemes which is externally funded and contracted out of the second state Pension Scheme. The Funds are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed on the basis of the latest actuarial valuations of the schemes

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

Pension scheme (cont'd)

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 balance sheet 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 income & expenditure account or the statement of total recognised gains and losses, in accordance with FRS 17.

Tangible fixed assets

▪ **Land and buildings**

Land and buildings (including those inherited from the Education and Library Board) are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Properties that are surplus to requirements are valued on the open market value. Valuations are obtained on a regular basis, with a professional valuation being undertaken by a qualified valuer every year. Land and buildings acquired since the last valuation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College as advised by Land and Property Services (LPS). The depreciation charge on buildings for the year is based on the revalued amount. 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.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

Tangible fixed assets (cont'd)

Land and buildings were subject to a professional valuation by LPS on 31 July 2009. In a difficult market and with limited sales evidence, the valuation was determined using a consensus of valuer opinion and it was agreed that a reduction in land and buildings value of £6,517k was appropriate for the values placed on the sites of the College. LPS had no evidence to show any differential geographical changes in value and these indices have therefore been applied to all of the Further Education Colleges in Northern Ireland for their 2008/09 financial statements.

▪ **Assets in the course of construction**

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

▪ **Assets other than land and buildings**

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. Assets other than land and buildings inherited from the Education and Library Board are included in the balance sheet at valuation. 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
Fixtures and fittings	- seven years

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.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

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 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.

Investments

Fixed asset investments are carried at historical cost less any provision for a permanent diminution in their value.

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 generally unable to recover input VAT it suffers on goods and services purchased.

Agency arrangements

The College acts as an agent in the collection and payment of Support Funds. Related payments received from DEL and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown separately in Note 33.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

2. DEPARTMENT FOR EMPLOYMENT AND LEARNING GRANTS

	2009	2008
	£'000	£'000
Recurrent grant	21,776	22,028
Release of deferred capital grants	284	356
Framework agreement	183	1,837
Health & safety/major works/minor works/SLDD	267	555
Teachers' superannuation contribution	-	465
Redundancy payment contribution	-	952
Release of ICT & FEP capital funds	96	414
Training centre operations	514	458
Essential skills	29	61
Foundation degree	-	107
ASF fund	378	298
Educational maintenance allowance	32	36
Care to learn	98	-
Cultural diversity	9	37
Other	122	38
	<hr/>	<hr/>
	23,788	27,642
	<hr/>	<hr/>

3. EDUCATION CONTRACTS

	2009	2008
	£'000	£'000
Schools Link Courses	1,487	163
DEL – Jobskills/Training for Success	3,597	3,778
DEL – New Deal	47	84
ETT Income	449	233
Curriculum Development	1	23
	<hr/>	<hr/>
	5,581	4,281
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

4. TUITION FEES AND CHARGES

	2009 £'000	2008 £'000
Home and other European Union	1,819	2,310
	<hr/> 1,819 <hr/>	<hr/> 2,310 <hr/>

5. OTHER GRANT INCOME

	2009 £'000	2008 £'000
European funds	(8)	36
Other grant income	141	113
	<hr/> 133 <hr/>	<hr/> 149 <hr/>

6. OTHER OPERATING INCOME

	2009 £'000	2008 £'000
Catering and residence operations	519	461
Other income generating activities	334	246
Other income	1	96
	<hr/> 854 <hr/>	<hr/> 803 <hr/>

7. INVESTMENT INCOME

	2009 £'000	2008 £'000
Bank interest	128	363
	<hr/> 128 <hr/>	<hr/> 363 <hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

8. STAFF COSTS

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

	2009 Number	2008 Number
Direct teaching	450	450
Direct support staff	116	129
Administration	123	144
Premises	56	55
Catering	15	17
	<hr/> 760	<hr/> 795

Staff costs for the above persons:

	2009 £'000	2008 £'000
Direct teaching	15,631	15,123
Direct support	2,763	2,736
Administration	3,833	4,879
Premises	1,261	1,171
Catering	365	311
FRS 17 adjustment (note 26)	192	128
	<hr/> 24,045	<hr/> 24,348
Exceptional staff costs (redundancy)	130	1,704
	<hr/> 24,175	<hr/> 26,052

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

8. STAFF COSTS (cont'd)

	2009	2008
	£'000	£'000
Wages & salaries	20,217	20,318
Social security costs	1,403	1,586
Other pension costs	2,425	2,444
	<u>24,045</u>	<u>24,348</u>
Exceptional staff costs (redundancy cost)	74	419
Exceptional staff costs (enhanced pension cost)	56	1,285
	<u>130</u>	<u>1,704</u>
Staff costs	<u>24,175</u>	<u>26,052</u>

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

	2009		2008	
	Number senior post-holders	Number other staff	Number senior post-holders	Number other staff
£50,001 to £60,000	-	36	-	27
£60,001 to £70,000	-	9	-	7
£70,001 to £80,000	-	-	2	-
£80,001 to £90,000	4	-	2	1
£90,001 to £100,000	-	-	-	-
£100,001 to £140,000	1	-	1	-
	<u>5</u>	<u>45</u>	<u>5</u>	<u>35</u>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

8. STAFF COSTS (cont'd)

The following pay awards were awarded during the year 2008/09:

Group of staff	Increase	Effective date
Director	2%	1 September 2008
Deputy director	2%	1 September 2008
Lecturing staff	2.45%	1 September 2008
Lecturers and senior lecturers on the relevant threshold pay point	£60	One-off non-consolidated payment
Support staff	2.75%	1 April 2008

9. SENIOR POST-HOLDERS' EMOLUMENTS

Senior post-holders are defined as the Director 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 the appointment and promotion of staff who are appointed by the Governing Body.

	2009 Number	2008 Number
The number of senior post-holders including the Director was:	5	5
	2009 £'000	2008 £'000
Salaries	391	380
Pension contributions	54	52
	<hr/>	<hr/>
Total emoluments	445	432
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

9. SENIOR POST-HOLDERS' EMOLUMENTS (Cont'd)

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

	2009 £'000	2008 £'000
Salaries	110	120
Pension contributions	15	16
	<hr/>	<hr/>
Total emoluments	125	136
	<hr/>	<hr/>

The pension contributions in respect of the Director and senior post-holders are in respect of employer's contributions to the Teachers' Superannuation 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 Governing Body other than the Director and the staff member did not receive any payment from the College other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Overseas activities

The following costs were incurred during the year ended 31 July 2009 in respect of overseas activities which were carried out in accordance with the strategy approved by the Governing body:

	Total cost £'000	Contributions received £'000	Net costs to College £'000
Members	-	-	-
Senior post-holders	-	-	-
Other higher paid staff	12	-	12
	<hr/>	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

10. OTHER OPERATING EXPENSES

	2009	2008
	£'000	£'000
Direct teaching	830	969
Direct support	2,696	2,886
Administration	2,082	1,913
Premises costs	3,122	3,776
	<hr/>	<hr/>
	8,730	9,544
	<hr/>	<hr/>
Other operating expenses include:		
Auditors' remuneration:		
External audit fee for the College	30	25
External audit fee for Causeway Childcare Limited	3	-
Internal audit	30	25
Hire of plant and machinery - operating leases	34	22
	<hr/>	<hr/>

11. INTEREST PAYABLE

Pension finance cost	267	32
Finance lease	-	1
	<hr/>	<hr/>
	267	33
	<hr/>	<hr/>

12. EXCEPTIONAL ITEMS

Exceptional restructuring costs (staff)	-	419
Exceptional pension costs	130	1,285
Exceptional restructuring costs (non-staff)	-	-
	<hr/>	<hr/>
	130	1,704
	<hr/>	<hr/>

13. TAXATION

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

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

14. DEFICIT ON CONTINUING OPERATIONS FOR THE YEAR

The deficit on continuing operations for the year is made up as follows:

	2009 £'000	2008 £'000
College's deficit for the year	(2,617)	(1,966)
	<hr/>	<hr/>
	(2,617)	(1,966)
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**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

15. TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Assets under construction £'000	Plant and machinery £'000	Computer equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1 August 2008	65,175	273	1,748	3,691	487	127	71,501
Revaluation	(6,517)	-	-	-	-	-	(6,517)
Additions	-	713	-	97	6	-	816
Disposals	-	-	-	-	-	-	-
At 31 July 2009	58,658	986	1,748	3,788	493	127	65,800
Depreciation							
At 1 August 2008	-	-	1,559	3,392	402	113	5,466
Charge for the year	1,402	-	109	198	31	8	1,748
Disposals	-	-	-	-	-	-	-
At 31 July 2009	1,402	-	1,668	3,590	433	121	7,214
Net book value At 31 July 2009	57,256	986	80	198	60	6	58,586
Net book value At 31 July 2008	65,175	273	189	299	85	14	66,035

Land and buildings were last subject to a full revaluation in August 2007 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service in accordance with Department specifications. Subsequently that revaluation has been updated using indices supplied by the Land and Property Service to provided valuations as at 31 July 2008 and 31 July 2009. These revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

15. TANGIBLE FIXED ASSETS (Cont'd)

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

	2009 £'000	2008 £'000
Cost	3,408	2,695
Aggregate depreciation based on cost	320	230
	<hr/>	<hr/>
Net book value based on cost	3,088	2,465
	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £0k (2008: £3k) in respect of assets held under finance leases.

The depreciation charge for the year is analysed as follows:

	2009 £'000	2008 £'000
Owned assets	1745	1,882
Assets held under finance leases	3	3
	<hr/>	<hr/>
	1,748	1,885
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

16. INVESTMENTS

The College has two subsidiaries, Causeway Childcare Ltd, a dormant company, and ABEC Ltd, a nursery within the Larne campus. Both companies are childcare facilities.

The college is exempt from preparing group accounts on the grounds of materiality and consequently these financial statements present information about the college as an individual undertaking and not about its group.

Effective control of each company is exercised by Northern Regional College. In this respect, the College, as a corporate body (and expressly not the directors of either Causeway Childcare Limited or ABEC Childcare Limited) provides guarantees on behalf of the subsidiary companies.

Causeway Childcare - Amount owing to NRC at 31 July 09 £0k, (08: £58k)
ABEC Childcare - Amount owing to NRC at 31 July 09 £14k (08: £9k)

17. DEBTORS

	2009	2008
	£'000	£'000
Amounts falling due within one year		
Amounts due from DEL	1,114	1,227
Trade debtors	405	417
Other debtors	9	11
Amounts due from subsidiaries	14	67
Prepayments and accrued income	323	252
	<hr/>	<hr/>
	1,865	1,974
	<hr/>	<hr/>

Total losses for the year were £218,468 (see note 34). This related to bad debt write offs and the write off of the Causeway Childcare outstanding debt.

18. CASH AT BANK AND IN HAND

Cash held on behalf of DEL	1,400	1,400
Cash at bank	3,997	6,286
	<hr/>	<hr/>
	5,397	7,686
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Trade creditors	88	447
Other taxation and social security	535	545
Accruals	1,014	2,337
DEL creditor	2,298	1,630
Other creditors	489	1,167
HP creditor	-	1
	<hr/>	<hr/>
	4,424	6,127
	<hr/>	<hr/>

20. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2009	2008
	£'000	£'000
Obligations under finance leases	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

21. PROVISIONS FOR LIABILITIES AND CHARGES

	2009	2008
	£'000	£'000
Legal expenses		
At 1 August	30	93
Utilisation in year	(15)	(93)
Provided in year	50	30
	<hr/>	<hr/>
At 31 July	65	30
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The provision relates to an estimate of legal costs associated with a tribunal. This is expected to be paid within the next financial year.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

22. DEFERRED CAPITAL GRANTS

	DEL £'000	Other £'000	Total £'000
At 1 August 2008	2,685	41	2,726
Cash received	778		778
Released to income and expenditure account	246	38	284
At 31 July 2009	3,217	3	3,220
Land and buildings	3,087		3,087
Other	130	3	133
Total	3,217	3	3,220

23. ENDOWMENTS

	2009 £'000	2008 £'000
At 1 August	33	31
Income for year	3	2
At 31 July	36	33

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

24. REVALUATION RESERVE

	2009 £'000	2008 £'000
At 1 August	62,998	33,387
Revaluation of properties	(6,518)	30,918
Transfer to income and expenditure account	(1,312)	(1,307)
	<hr/>	<hr/>
At 31 July	55,168	62,998
	<hr/>	<hr/>

25. INCOME AND EXPENDITURE ACCOUNT

	2009 £'000	2008 £'000
At 1 August	(430)	1,432
Transfer from revaluation reserve	1,312	1,307
Deficit on continuing operations after depreciation of assets at valuation and tax	(2,617)	(1,966)
Actuarial (loss)/gain on pension scheme	(4,786)	(1,203)
	<hr/>	<hr/>
At 31 July	(6,521)	(430)
	<hr/>	<hr/>
Balance represented by:		
Income and expenditure reserve excluding pension reserve	2,935	3,781
Pension reserve	(9,456)	(4,211)
	<hr/>	<hr/>
At 31 July	(6,521)	(430)
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

26. PENSION AND SIMILAR OBLIGATIONS

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

	2009	2008
	£000	£000
NITSS: contributions paid	1,510	1,721
NILGOSC: Contributions paid	723	595
NILGOSC: FRS 17 charge	192	128
NILGOSC charge to the income and expenditure account (staff costs)	<u>915</u>	<u>723</u>
Enhanced pension charge to income and expenditure account (staff costs)	56	1,285
Total pension cost for year	<u>2,481</u>	<u>3,729</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuations of the NITSS was 31 March 2004 and NILGOSC was 31 March 2004.

NITSS

The NITSS 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).

Further information about the scheme is given in the explanatory booklet dated September 2005, which is issued to all members.

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 latest full valuation to be completed was as at 31 March 2004, with an interim valuation completed as at 31 March 2006. The interim actuarial valuation as at 31 March 2006 valued the accrued pension scheme liability at £6.35 billion.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

26. PENSION AND SIMILAR OBLIGATIONS (Cont'd)

From 1 April 2008 the employers' contribution rate is 13.6% and the employees' contribution rate is 6.4% of pensionable pay. This is to account for changes introduced to the NITSS from this date. These rates still apply in this financial year.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the NITSS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

NILGOSC

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

FRS 17

The following information is based upon a full actuarial valuation of the fund at 31 March 2004 updated to 31 July 2009 by a qualified independent actuary.

	31 July 2009	31 July 2008
	%	%
Pension increase rate	3.7	3.8
Salary increase rate	5.2	5.3
Expected return on assets	6.8	7.3
Discount rates	6.0	6.7

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

26. PENSION AND SIMILAR OBLIGATIONS (Cont'd)

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

	As at 31 July 2009	As at 31 July 2008	As at 31 July 2007
Current pensioners			
Males	19.6	19.6	18.4
Females	22.5	22.5	21.3
Future Pensioners			
Males	20.7	20.7	19.6
Females	23.6	23.6	22.5

The amounts recognised in the balance sheet are as follows:

	2009 £'000	2008 £'000
Fair value of plan assets	12,772	13,231
Present value of funded obligations	(22,187)	(17,404)
	(9,415)	(4,173)
Present value of unfunded obligations	(41)	(38)
Unrecognised past service cost	-	-
Net liability	(9,456)	(4,211)

Analysis of the amount charged to income and expenditure account

	2009 £'000	2008 £'000
Employer service cost (net of employee contributions)	643	723
Past service cost	272	-
Total operating charge	<u>915</u>	<u>723</u>

Analysis of pension finance costs

Expected return on pension scheme assets	989	1,015
Interest on pension liabilities	(1,199)	(971)
Losses on curtailments and settlements	(59)	(78)
Pension finance costs	<u>(269)</u>	<u>(34)</u>
Actual return on plan assets	<u>(1,113)</u>	<u>(918)</u>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

26. PENSION AND SIMILAR OBLIGATIONS (Cont'd)

Amount recognised in the statement of total recognised gains and losses (STRGL)

	2009	2008
	£'000	£'000
Actuarial (loss)/gain recognised in STRGL	<u>(4,786)</u>	<u>(1,203)</u>

Asset and liability reconciliation

	2009	2008
	£'000	£'000

Reconciliation of liabilities

Liabilities at start of period	17,442	16,418
Service cost	643	723
Interest cost	1,199	971
Employee contributions	272	269
Actuarial (gain)/loss	2,681	(668)
Benefits paid	(340)	(349)
Past service cost	272	-
Curtailments and settlements	59	78
Liabilities at end of period	<u>22,228</u>	<u>17,442</u>

Assets at start of period	13,231	13,570
Expected return on assets	989	1,015
Contribution in respect of Unfunded Benefits	2	2
Actuarial gain/(loss)	(2,105)	(1,871)
Employer contributions	723	595
Employee contributions	272	269
Benefits paid	(340)	(349)
Settlements	-	-
Assets at end of period	<u>12,772</u>	<u>13,231</u>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

26. PENSION AND SIMILAR OBLIGATIONS (Cont'd)

The analysis of the scheme assets and the expected rate of return at the balance sheet date was as follows:

	Expected return			Fair value of assets		
	2009	2008	2007	2009	2008	2007
	%	%	%	£'000	£'000	£'000
Equities	7.3	7.8	8.0	9,962	10,127	10,010
Bonds	5.3	5.7	5.2	1,533	1,787	2,187
Property	5.3	5.7	6.0	766	1,059	1,129
Cash	4.3	4.8	5.1	511	258	244

Amounts for the current and previous four periods are as follows:

	2009	2008	2007	2006	2005
	£'000	£'000	£'000	£'000	£'000
Fair value of plan assets	12,772	13,231	13,570	11,663	9,781
Present value of defined benefit obligation	(22,228)	(17,442)	(16,418)	(16,432)	(14,143)
Surplus/(deficit)	(9,456)	(4,211)	(2,848)	(4,769)	(4,362)
Experience (losses)/gain on assets	(2,105)	(1,871)	472	716	960
Experience gain on liabilities *	-	(287)	-	-	(28)

The estimated amounts of contribution to be paid to the scheme during the next financial period 2009/10 is approximately £717,000.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

28. NOTES TO THE CASH FLOW STATEMENT

(i) Reconciliation of operating deficit to net cashflow from operating activities

	2009	2008
	£'000	£'000
Deficit on continuing operations after depreciation of assets at valuation	(2,617)	(1,966)
Depreciation (note 15)	1,748	1,885
Deferred capital grants released to income (note 22)	(284)	(356)
Decrease/(Increase) in debtors	109	353
(Decrease)/Increase in creditors	(1,666)	948
Interest receivable (note 7)	(128)	(363)
Increase in pension liability	459	160
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(2,379)	661
	<hr/>	<hr/>

Cashflow for exceptional items is included in increase in creditors. Payment of exceptional items occurred post year end.

(ii) Returns on investments and servicing of finance

	2009	2008
	£'000	£'000
Interest received	128	363
	<hr/>	<hr/>
	128	363
	<hr/>	<hr/>

(iii) Capital expenditure and financial investment

Payments to acquire tangible fixed assets	(816)	(545)
Capital grants received	778	393
Capital grants surrendered		-
	<hr/>	<hr/>
	(38)	(152)
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

28. NOTES TO THE CASH FLOW STATEMENT (cont'd)

(iv) Analysis of net funds

	At 1 August 2008 £'000	Cashflows £'000	At 31 July 2009 £'000
Cash	7,686	(2,289)	5,397
HP Creditor	(12)	12	-
	<hr/>	<hr/>	<hr/>
	7,674	(2,277)	5,397
	<hr/>	<hr/>	<hr/>

29. MAJOR NON-CASH TRANSACTIONS

During the year the College made an accrual of £87k for future restructuring costs.

30. POST BALANCE SHEET EVENTS

There are no post balance sheet events.

31. CAPITAL COMMITMENTS

There are capital commitments of £8,237k at 31 July 2009. This relates to the building of new accommodation on the Newtownabbey site.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

32. RELATED PARTY TRANSACTIONS

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

32. RELATED PARTY TRANSACTIONS (cont'd)

	Related organisation	Position in related organisation	Amount paid 2009 £'000	Amount paid 2008 £'000	Nature of transactions	Amount outstanding at 31 July 2009 £'000	Amount outstanding at 31 July 2008 £'000
A. Rankin Governor	University of Ulster	Deputy Director of Finance	95	126	Accreditation and examination fees	-	9
S. Davidson Governor	Henderson Group	Director of Human Resources	39	34	Goods for catering service	-	-
U. O'Kane Governor T. Jamieson Governor	NEELB	Members of the Board	9	6	Hire of facilities	1	-
ABEC Childcare Ltd Subsidiary Company	Company limited by NRC guarantee	-	5	-	Loan	14	9
Causeway Childcare Ltd Subsidiary Company	Company limited by NRC guarantee	-	-	-	-	-	58

It should be noted that the payments were made from the College to the Company/organisation and not to the Governors personally.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2009**

33. SUPPORT FUNDS (DISCRETIONARY)

	Year Ended 31 July 2009 £'000	Year Ended 31 July 2008 £'000
Balance at 31 July	224	82
DEL grants	337	204
Disbursed to students	(94)	(62)
	<hr/>	<hr/>
Balance at 31 July	467	224
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Support Funds (Discretionary) are available solely for students; the College acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

34. LOSSES AND SPECIAL PAYMENTS

	Year Ended 31 July 2009 £
Losses and special payments	233,468
	<hr/>
Ex-Gratia payment (1 case) – staff tribunal decision	15,000
Bad debt written-off during year	
- related party	83,700
- operational < £1000	63,078
> £1000	71,690
	<hr/>
	233,468
	<hr/>

The number of individual debts write off below £1,000 is 562 and the number of individual debts write off greater than £1,000 is 42. The range of the debt write off greater than £1,000 is from £1,034 to £5,289.

DEL approval has been obtained for the ex-gratia payment and DEL approval is currently being sought for all bad debt write offs > £750 (totaling £83,444) as per the Financial Memorandum. At present DEL approval has not been sought in relation to the £83,700 Causeway Childcare Limited debt write off.