

**NORTHERN REGIONAL COLLEGE
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2011**

*The Accounting Officer authorised these
financial statements for issue*

on

23 November 2011

*Laid before the Northern Ireland Assembly
under the Institutions of Further Education (Public Sector Audit) Order
(Northern Ireland) 2008
by the Department for Employment and Learning*

on

13 January 2012



NORTHERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2011

NORTHERN REGIONAL COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011

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NORTHERN REGIONAL COLLEGE OPERATING AND FINANCIAL REVIEW 2010/11

NATURE, OBJECTIVES AND STRATEGIES

The members present their report and the audited financial statements for the year ended 31 July 2011.

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. Therefore, Northern Regional College (the College) is an autonomous organisation established under the Further Education (Northern Ireland) Order 1997. The College was established on the 1 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 Ballymena, Ballymoney, Coleraine, Larne, Magherafelt and Newtownabbey.

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

Statement of Aspiration

The aspirations of Northern Regional College are to:-

- put the learner at the heart of all that we do;
- be a responsive and indispensable resource for the community and the local economy;
- develop and support a professional workforce which can deliver a high quality service and respond positively to new challenges; and
- achieve maximum efficiency in the delivery of all aspects of our business.

College Values

As a teaching and learning organisation the College will be:

- committed to respecting and supporting others;
- creative and innovative;
- customer focused;
- striving for excellence; and
- valuing staff and team work.

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College Values (cont'd)

Members of staff will display these values in daily work:

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

In addition, there is one all embracing organisational and personal work core value of promotion of “effective communication and positive action”.

Implementation of the Strategic Plan

The strategic objectives for the College for 2010/11, as outlined in the College Development Plan, and the progress against these objectives were as follows:

Strategic Aims 2010-13	Targets 2010/11	Outcome
1 Further develop and support the continuous improvement of the quality of the entire student learning experience.	(i) Implement action plans from all quality inspections and prepare for 2010/11 inspections.	Achieved
	(ii) Achieve full representation from the student body at Governing Body and campus level.	Achieved
	(iii) Establish the full operation of new teaching accommodation and student facilities in Newtownabbey campus.	Achieved
2 Develop and deliver a curriculum and associated provision prioritised in relation to social and economic regional need, government policy and resource allocation.	(i) Achieve FLU targets set out in CDP.	Not achieved
	(ii) Implement curriculum changes contained in Business Improvement Plan and prioritise curriculum provision in the light of anticipated reduction in income.	Achieved
	(iii) Achieve successful recontracting for TfS/AppNI.	Partially achieved
	(iv) Produce performance reports and analysis on agreed curriculum, training and economic engagement KPIs.	Achieved

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Strategic Aims 2010-13	Targets 2010/11	Outcome
3 Support and embed an organisational culture and structure in line with the College's Statement of Aspiration.	(i) Implement a set of action points to improve the Staff and Employer Voice. (ii) Achieve Investors in People status by December 2010. (iii) Implement an agreed equality action plan for all students and staff in line with agreed sector timetable. (iv) Implement performance appraisal schemes for academic and support staff.	Achieved Not achieved Achieved Not achieved
4 Embed a College Planning Cycle based on accurate and accessible management information and systematic performance review and evaluation.	(i) Support monitoring of all agreed KPIs through accurate and accessible data reports. (ii) Achieve full implementation of E-registers to enable accurate student enrolment and retention, staff and accommodation utilisation data. (iii) Implement a data quality audit system. (iv) SER's to be produced by all organisational teams with a tracking system used to monitor remedial action.	Achieved Partially achieved Achieved Achieved
5 Develop and progress an approved estates strategy.	(i) Develop and agree a full NRC estates strategy document. (ii) Meet all targets agreed with DEL for the development of the business planning process for new build.	Not achieved Not achieved
6 Progress towards the achievement of financial stability in line with an approved Business Improvement Plan.	(i) Finalise Business Improvement Plan and secure DEL approval for the Plan. (ii) Deliver agreed financial targets and KPI's for 2010/11.	Achieved Achieved

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The strategic aims for the years 2011-14 and the targets for 2011/12 are as follows:

Strategic Aims 2011-14	Targets 2011/12
<p>1 Develop and support the continuous improvement of the quality of the entire student learning experience.</p>	<p>(i) Achieve retention rates as follows: FLU funded full time – 80% Training -80% Entitlement Framework – 94%</p> <p>(ii) Achieve success rates for the following: FLU funded full time – Training - Entitlement Framework – <i>(Targets for success rates to be agreed at December Education Committee)</i></p> <p>(iii) Achieve minimum Grade 3 or equivalent in all inspections/surveys.</p> <p>(iv) Achieve 80% good or above in student surveys.</p>
<p>2 Develop and deliver a curriculum and associated provision prioritised in relation to social and economic regional need, government policy and resource allocation.</p>	<p>(i) Achieve FLU target of : 5,403 Further Education 496 Essential Skills 608 Higher education</p> <p>(ii) Produce a plan for curriculum provision based on a four campus model consistent with the requirements of the Outline Business Case for estates development.</p> <p>(iii) Deliver training plan to achieve target income.</p> <p>(iv) Deliver plan to achieve targeted cost recovery and external grant income.</p>
<p>3 Establish a staffing structure aligned to the efficient and effective operation of the business of the College underpinned by a high performance culture.</p>	<p>(i) Achieve targets for 2011/12 as per Staffing Plan.</p> <p>(ii) Achieve IIP status by June 2012.</p> <p>(iii) Implement two year cycle for staffing appraisal schemes.</p> <p>(iv) Implement Staff Engagement programme of surveys, focus groups and staff meetings.</p>

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Strategic Aims 2011-14	Targets 2011/12
4 Develop and progress an estates strategy which best meets the needs of the College within the prevailing resource constraints.	<ul style="list-style-type: none"> (i) Dispose of surplus sites. (ii) Implement approved outcome for future of Larne Adult Education Centre. (iii) Complete options appraisal for Coleraine/Ballymoney, gain approval for preferred option and begin implementation. (iv) Meet all agreed targets/milestones for Outline Business Case for estates development.
5 Progress towards the achievement of financial stability in line with targets established through the Business Improvement Plan.	<ul style="list-style-type: none"> (i) Achieve agreed financial targets and KPIs for 2011/12.

Financial Strategy for 2011/16

The key financial strategy for 2011/16 is set out in detail in the College Development Plan. The plan identifies that the College will return to a historic cost surplus in 2013/14 and to a positive Income and Expenditure Reserve in 2015/16, indicating long term financial stability thereafter. The plan provides a challenging strategy to improve the financial sustainability of the College that includes the implementation of efficiencies, the restructuring of provisions and the review and rationalisation of accommodation. A series of performance indicators has been agreed to monitor the successful implementation of the policies.

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Performance Indicators: Review of Performance in 2010/11

At a bilateral meeting with DEL officials, the College's College Development Plan (CDP) performance in 2010/11 was reviewed and targets for 2011/12 were presented.

The performance for 2010/11 and targets for 2011/12 can be summarised as follows:

FLUs	11/12	10/11		09/10		08/09	
	Target	Target	Actual	Target	Actual	Target	Actual
FE	5,403	5,403	5,328	5,400	5,492	5,400	5,058
HE	608	603	671	536	605	669	537
Essential skills	495	487	472	450	412	346	324

Financial objectives

The College's financial objectives are:

- to achieve an annual operating surplus
- to pursue alternative sources of funding, on a selective basis, consistent with the College's core competencies, and the need for a financial contribution to the College's overall finances
- to generate sufficient levels of income to support the asset base of the College
- to further improve/maintain the College's shorter term liquidity
- to fund continued capital investment

FINANCIAL POSITION

Financial Results

The College generated an operating deficit in the year of £1,321k (2009/10 – deficit of £236k). The result in 2010/11 is stated after accounting for the disposal of fixed assets. All fixed assets disposed of had a zero net book value.

The College reported a historic cost outturn of a £322k deficit compared with the College's original estimated outturn, as per the College Development Plan, of a £1,382k deficit.

The College received more income than budgeted. This additional income was mainly funding received from DEL in respect of the Newtownabbey new build and the on-going running costs of Felden. This additional income was matched by expenditure. The outturn for the year ended 31 July 2011 was approximately £1m better than budget.

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Financial Results (cont'd)

This included

- ASF Discrete funding £100k more than budget
- Training income less payments to Trainees £190k more than budget
- Redundancy costs £200k less than original budget
- Support staff costs £260k less than budget as result of:
 - 9 vacant posts not appointed and at least 8 late appointments saving approx £80k
 - Maternity and sickness absence were covered from within original teams in many cases

The College has significant reliance on DEL for its principal funding source, largely from recurrent grants. In 2010/11, DEL provided 65% (2009/10:68%) of the College's total income through allocated recurrent grant. This represented 14.8% of the total recurrent grant available to the sector.

The College had two subsidiaries, Causeway Childcare Ltd, a dormant company, and ABEC Ltd, a nursery within the Larne campus. Causeway Childcare Limited was struck off the Companies Register on 16 April 2010 and ABEC Ltd was struck off the Companies Register on 16 September 2011.

Reserves

The College has accumulated income and expenditure reserves, excluding pension reserves, of £3,088k (£3,066k – 2010) and cash balances of £4,530k (£5,272k – 2010). This is within the acceptable levels of reserves, as detailed by the Financial Memorandum.

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.

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.

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Cash Flows

The College's operating cash outflow was £720k, (2009/10 £17k).

Liquidity

The College has no loans or borrowings.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

The College decreased its student establishment by 4.8% during the year, giving a total establishment of 5,867 FTE's. 9,176 full-time and part-time students obtained qualifications during the year whilst 15% have subsequently returned to either further or higher education.

Student Achievements

The College had a total of 25,177 enrolments in 2010/11 (2009/10: 25,081), including 4,385 full-time and 20,792 part-time students. This represented an increase of 0.4 % in enrolments.

Students continue to prosper at the College and success rates rose from 64% in 2008/09 to 67% in 2009/10. While it is too early to make predictions about success rates for 2010/11, there is no reason to expect the upward trend of the last few years to be reversed.

Curriculum Developments

The College recruited well to its full-time courses in 2010/11 but part-time numbers fell again with the overall result that the College fell below its target by approximately 2%. Demand for full-time higher education courses was high and the College recruited slightly above the cap on numbers set by the Department. Even so, the College still had to turn away well-qualified applicants from a number of courses. Part-time higher education also showed an increase in numbers reversing the trend of the last 3 years. Recruitment in Entitlement Framework continued at much the same level as in 2009/10 but Essential Skills numbers rose slightly. The proportion of total enrolments coming from priority skills remained constant.

In 2010/11 the main focus in curriculum development was the implementation of the outcomes of the curriculum review undertaken as part of the Business Improvement Plan during 2009/10.

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Curriculum Developments (cont'd.)

The main curriculum change arising from the Business Improvement Plan was the closure of the Antrim Campus at the end of June 2011 and the dispersal of its curriculum provision. The College was particularly concerned to ensure that, while it would no longer have a building in Antrim; it would continue to meet the needs of the town through other means. Major planning was undertaken in 2010/11 so that courses could be delivered in various locations in Antrim, in partnership with Antrim Borough Council, Parkhall School and Libraries Northern Ireland. As a result in 2011/12 the courses will be available to the people of Antrim in community centres, Parkhall School and Antrim library.

In addition, as part of the Business Improvement Plan the College also rationalised curriculum provision by phasing out full-time A-Level provision, ceasing provision of Painting and Decorating and reorganising the delivery of Special Needs courses.

The second major focus in 2010/11 was the development and implementation of a model of performance management in relation to retention, success and achievement. Targets for retention were set in the current year for 2011/12 at College, School and course level and will be monitored throughout the year. Course teams have also devised plans to improve retention in their courses particularly in the first two months of the new academic year. In 2011/12 a similar process will be used to set targets for success. Initial work took place across the sector in 2010/11 to provide benchmarks for retention and these should be available during 2011/12. Monitoring and evaluation of the College's progress will be overseen by the Executive Management Team and the Governing Body.

The College participated in two successful blended learning pilots and during 2010/11 it developed plans for a range of courses across all vocational areas to be delivered in part through blended learning in 2011/12.

Payment Performance

The Late Payment of Commercial Debt Regulations 2002 requires payments to be made 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 HM Treasury for payment to suppliers within 30 days is 95%.

During the accounting period 1 August 2010 – 31 July 2011, the College paid 65% (2009/10:64%) of its invoices within 30 days. £75 was paid to suppliers in interest charges.

Post Balance Sheet Events

There were no significant post balance sheet events.

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Future Developments

With eight buildings in Ballymena, Ballymoney, Coleraine, Newtownabbey, Magherafelt and Larne, Northern Regional College (NRC) is proposing to modernise its College estate and its services by developing modern, purpose-built accommodation and updating current facilities and services.

By 2016, NRC proposes to create one of the most dynamic and forward thinking Further and Higher Education establishments in Northern Ireland. The new NRC will develop even further, its excellent current links with local and international businesses, schools, organisations and individuals to provide its students with the highest quality and most career-relevant educational experience available, as well as playing a central role in the region's economy.

NRC plans to lead the way in Northern Ireland in all curriculum areas, positioning the College at the heart of the region's economy and securing the College's future for years to come.

Prior to merger in 2007 a Financial Due Diligence Report was commissioned which raised a number of issues for NRC. The most significant issue was the overall financial stability of the College, particularly in respect of the on-going cost of staff and estate.

A due diligence follow up report was commissioned in May 2009 by the Governing body. This report concluded that financial stability remained an issue for the College. The report recommended that a more detailed Business Improvement Plan should be developed.

To achieve the College's mission objectives NRC's Business Improvement Plan contains proposals including new campuses to replace old and exhausted facilities, a renewed commitment to providing employers with qualified personnel and most importantly a dedicated service of utmost excellence to the student body.

The objective is to identify actions that would allow the College to reach financial stability while continuing to deliver a high quality student learning experience.

The Northern Regional College Business Improvement Plan 2010-2016 was commissioned by the College Governing Body in 2009. DEL finds the NRC Business Improvement Plan acceptable as a basis for the future financial stability of the College. In order to achieve the College vision a number of recommendations have been made within the Business Improvement Plan.

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Future Developments (cont'd.)

The recommendations in the plan are based on a careful combination of the following approaches:

- Reducing, over a five year period, the replicated overhead costs carried by the College in operating many sites;
- Restructuring activities that are not financially viable by moving the provision to a more advantageous funding stream, or by concentrating on the work that is of most relevance to the College's aspiration, or by increasing the charges made to students/employers, or by ceasing provision;
- Prioritising the type of curriculum that the College provides and the extent of the provision in light of the expectation of static or reduced funding in future years; and
- Improving performance so that outcomes, associated funding and student experience improves.

In particular, this will mean the rationalisation of the College's current estate as follows:

- **Felden:** campus closed and returned to DEL ownership (March 2011);
- **Newtownabbey:** campus major extension and refurbishment opened (September 2010);
- **Antrim:** campus closed (June 2011). Disposal plans to be implemented during 2011/12;
- **Portrush:** disposal plans to be implemented during 2011/12;
- **Larne:** plans for future of Adult Learning Centre to be finalised and implemented during 2011/12;
- **Ballymoney and Coleraine:** 2 current buildings will be replaced by one new build; and
- **Ballymena:** 3 current buildings will be replaced by one new build.

Economic appraisals will be carried out to assess the optimum accommodation solutions for the Ballymoney/Coleraine and Ballymena areas.

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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	2,250
Ballymena – Farm Lodge	9,450
Ballymena – Trostan Avenue	3,381
Ballymoney	2,640
Coleraine	4,177
Larne	2,082
Magherafelt	4,209
Newtownabbey	24,933
Portrush (currently not utilised)	113
Total	53,235

Financial

Net assets at 31 July 2011 were £56.0m (2010:£46.5m) (including £1.3m net pension liability).

People

The College employs 726 people (2010:737) (expressed as full time equivalents), of whom 417 are teaching staff.

Reputation

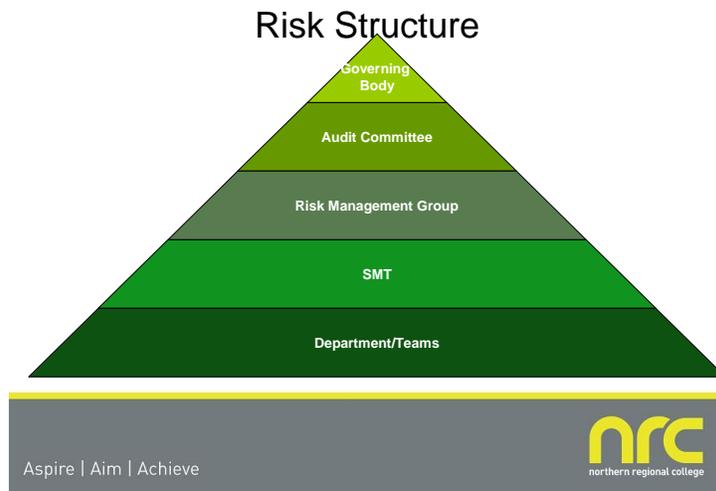
The College has a good reputation locally and nationally and maintaining a quality brand is essential for the College's success in attracting students and external relationships.

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PRINCIPAL RISKS AND UNCERTAINTIES

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.

An appropriate structure is in place to support the implementation of the Risk Management Policy. This structure includes a Risk Management Group, made up of members of the Senior Management Team and a representative from Governing Body that manages risk internally and reports to the Audit Committee.

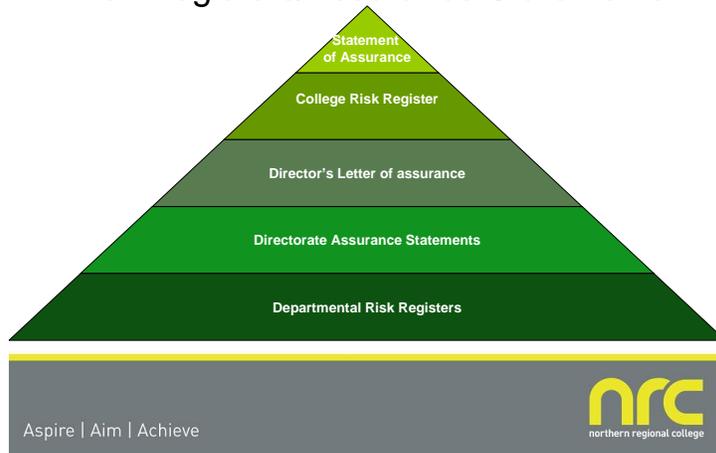


Appropriate procedures have been implemented to ensure that the College's objectives and risks have been identified and a control strategy has been determined for each of the significant risks. As a result, risk ownership is allocated to the appropriate staff and the College has set out its attitude 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. A process is in place to identify risks from Departmental risk registers, feeding ultimately into the College risk register and Statement of Assurance in the Annual Report.

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PRINCIPAL RISKS AND UNCERTAINTIES (cont'd.)

Risk Registers/Assurance Statements



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. Risk management has been incorporated into the corporate planning and decision making processes of the College.

The Governing Body has received periodic reports concerning internal control. Examples of these reports are:

- Internal audit reports;
- External audit management letter;
- Reports from Education and Training Inspectorate (eti).

Management has also received periodic reports concerning internal control e.g.

- Insurance risk reports;
- Statutory equipment health and safety reports;
- Self evaluation reports.

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.

NORTHERN REGIONAL COLLEGE OPERATING AND FINANCIAL REVIEW 2010/11

PRINCIPAL RISKS AND UNCERTAINTIES (cont'd.)

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 College-wide risk register;
- maintain departmental risk registers; 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 that provides an opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

The principal (high) risks facing the College have been identified as:

- (i) Financial constraints (including public funding availability and capital development funding) resulting in services not being effectively delivered or DEL break-even target not being achieved.
- (ii) The College Estate is not fit for purpose to meet College objectives.
- (iii) Inability to invest in IT as a result of financial constraints.
- (iv) The Training Provision is not affordable or sustainable.
- (v) Decline in PT enrolments and associated funding.
- (vi) Delays in DEL approval for decisions taken could result in additional financial burden.
- (vii) The number, mix and skills of staff do not support the achievement of the College objectives.
- (viii) Changes to DEL Policy and Related Funding.

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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;
- 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 them through the College internet site and by meetings.

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.

Equal opportunities 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 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 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.

The College's Equality Statement says that:

“Northern Regional College is committed to the promotion of equality of opportunity in all of its activities. We aim to ensure that we provide a supportive, fair, inclusive and welcoming environment for all staff, students and visitors free from any form of discrimination or harassment.”

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Disability statement

Under section 49A of the Disability Discrimination Act (DDA) 1995 (as amended by the Disability Discrimination (Northern Ireland) Order 2006), the Northern Regional College as a public authority will, when carrying out its functions, have due regard to the need to promote positive attitudes towards disabled people and will encourage participation by disabled persons in public life.

Under section 49B of the Act, the College is committed to the development of a disability action plan which relates to all disabled people including disabled employees, customers, clients and service users as well as disabled students. This action plan also encompasses College efforts in relation to the Special Education Needs and Disability Order 2005 to ensure the full mainstreaming of all duties.

The disability action plan covers the period from February 2008 to August 2010. As the College is awaiting guidance from the Equality Commission on the future of Disability Action Plans it has decided to extend the plan to June 2011.

This disability action plan involves the development of detailed guidance and training for staff, the establishment of professional standards for inclusive learning, the alignment and development of College policies and procedures and the identification of positive action measures.

Disclosure of information to auditors

These accounts are subject to audit by agreement 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 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.

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Professional Advisers

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

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

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

Ulster Bank
Danesfort
Stranmillis Road
Belfast
BT9 5UB

First Trust
First Trust Centre
PO Box 123
92 Ann Street
Belfast
BT1 3AY

Solicitors: 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 2010/11**

Members

The members who served on the Governing Body during the year were as follows:

Mr G Gilpin (Chair – appointed 1 September 2010)
Mrs K Collins (Acting Chair to 31 August 2010)
Mrs AM Campbell – (term of office ended 31 July 2011)
Mr S Davidson
Alderman P J McAvoy
Mr P McCudden
Mr T Neilands (Director)
Ms A Rankin
Mrs L Wallis - (term of office ended 31 July 2011)
Mr J Cromie (Student Representative - appointed 15 September 2010; resigned 30 June 2011)
Mr A Watt (Staff Representative)
Ms C O'Neill (Staff Representative – resigned 30 June 2011)
Mr S McCartney (Staff Representative – appointed June 2011)
Mrs U O'Kane
Rev T Jamieson
Mr K Nelson
Mrs C Taylor
Mr R Jay
Mr I Goldsworthy

All members served from 1 August 2010 to 31 July 2011 unless otherwise indicated.

Mrs Rose Handley and Mr David Lennox were appointed as members of the Governing body from 1 August 2011 and Miss Sarah Cassidy was appointed as student representative in September 2011.

For and on behalf of the members of the Governing Body.

Mr. G. Gilpin

Chairman

23 November 2011

Date

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

Remuneration Policy

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 the 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 was 65, although staff may retire at any time after age 60 with no diminution of earned pension benefits. However, the College reviewed this fixed retirement age and decided it will no longer have a fixed retirement age for anyone reaching that age on or after 1 October 2011. 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.

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.

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

Performance pay

There is no performance pay or related scheme for any of the Deputy Directors, although this may be reviewed in the future. 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 (2009/10: £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 post holders have access to the College's Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All Senior Staff have 33 or 35 days holiday entitlement and a further thirteen or fourteen 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.

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

Salary and Pension Entitlements

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

Remuneration	2010-11			2009-10		
	Salary £'000	Bonus Payments £'000	Benefits in Kind £'000	Salary £'000	Bonus Payments £'000	Benefits in Kind £'000
Director	105 - 110	-	-	105 - 110	-	-
Deputy Director Curriculum	75 - 80	-	-	70 - 75	-	-
Deputy Director Planning & Resources	75 - 80	-	-	70 - 75	-	-
Deputy Director Support & Development	75 - 80	-	-	70 - 75	-	-
Director of Finance	65 - 70	-	-	65 - 70	-	-

1. The Director was appointed on 1 August 2007. Prior to this he was Director Designate of NRC (23 October 2006 – 31 July 2007), and prior to this he was Director of the North East Institute of Further and Higher Education (1 February 2004 – 22 October 2006).
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 (1 August 2001 – 30 November 2007).
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 (1 September 2001 – 30 November 2007).
4. The Deputy Director Support & Development was appointed on 1 December 2007. Prior to this she was acting Deputy Director in the North East Institute of Further and Higher Education (8 November 2006 – 30 November 2007) and 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 (1 September 2004 – 30 November 2007).

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any gratia payments.

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

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 officials received any benefits in kind.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. No bonuses were paid in year to senior management.

Pension Entitlements

Officials	Accrued pension at age 60 as at 31/07/11 and related lump sum	Real increase in pension and related lump sum at age 60	CETV at 31/07/11	CETV at 31/07/10	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
Director	45-50 plus lump sum of 140-145	0-2.5 plus lump sum of 2.5-5	1,112	996	78
Deputy Director Curriculum	30-35 plus lump sum of 100-105	0-2.5 plus lump sum of 2.5-5	753	657	70
Deputy Director Planning & Resources	25-30 plus lump sum of 85-90	0-2.5 plus lump sum of 2.5-5	695	608	62
Deputy Director Support & Development	20-25 plus lump sum of 70-75	0-2.5 plus lump sum of 2.5-5	426	367	43
Director of Finance	10-15 plus lump sum of 25-30	0-2.5 plus lump sum of 0-2.5	128	137	(15)

The actuarial factors used to calculate CETVs were changed as of 6 July 2010 due to an announcement in the Emergency Budget of 22 June 2010. The CETVs at 31/7/10 and 31/7/11 have both therefore been calculated using the new factors. (The CETV figure at 31/7/10 in last year's report was not available at that time but is included in this year's report.)

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

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 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.

NORTHERN REGIONAL COLLEGE REMUNERATION REPORT

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 accounts of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

The actuarial factors used in the CETV calculations were changed as of 6 July 2010, due to changes in demographic assumptions and the move from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) as the measure used to uprate pensions. (Northern Ireland Teachers' Pension Scheme were not able to provide the figures to 31 July 2010 before the date of signing of the prior year accounts, but these figures are included in this report for the current year)

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.

Compensation for Loss of Office

During 2010/11, there was no compensation paid for loss of office.

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 7 times during the 2010/11 year and has several committees, including a Finance and General Purposes Committee, a Staffing Committee an Audit Committee and an Education Committee. All of these committees are formally constituted with terms of reference and comprise mainly lay members of the Governing Body.

Unreserved minutes of governing body meetings are available from the secretary of the governing body or on the College website. The secretary to the Governing body maintains a register of financial and personal interests of the Governing body members and this is also available for inspection. Formal agendas, papers and reports are supplied to the governing body members in a timely manner.

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 5 times during the 210/11 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, and the management of trust funds. 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. The Committee met 7 times during the 2010/11 year.

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. The Committee met 5 times during the 2010/11 year.

Education Committee

The Education Committee oversees the College's curricular provision, with a focus on its quality and appropriateness for the community served by the College. The Committee's role is to advise the Director on: the general oversight of the academic work of the College, such as admission, assessment and examination of students; curriculum development; staff development and provisions for suspension or expulsion of students for academic reasons. The Committee met 4 times during the 2010/11 year.

Mr. T. Neilands

Accounting Officer

23 November 2011

Date

**NORTHERN REGIONAL COLLEGE
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2011**

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 also required to prepare an Annual 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 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 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.

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 which 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
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2011**

Approved by order of the governing body members on 23 November 2011 and signed on its behalf by:

Mr. G. Gilpin

Chair

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2011**

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 Managing Public Money Northern Ireland.

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 and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realized, 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 2011 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 2011**

STATEMENT ON INTERNAL CONTROL (cont'd)

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 2011. 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 plan 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 Department 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. The Head of Internal Audit has issued an Assurance Statement to me which provides his/her opinion on the adequacy and effectiveness of the internal control system and the extent to which it can be relied upon.

As mentioned in the Operating and Financial Review, prior to merger in 2007 a Financial Due Diligence Report was commissioned which raised a number of issues for NRC. The most significant issue was the overall financial stability of the College, particularly in respect of the on-going cost of staff and estate.

A due diligence follow up report was commissioned in May 2009 by the Governing body. This report concluded that financial stability remained an issue for the College. The report recommended that a more detailed Business Improvement Plan should be developed.

To achieve the College's mission objectives, NRC's Business Improvement Plan contains proposals including new campuses to replace old and exhausted facilities, a renewed commitment to providing employers with qualified personnel and most importantly a dedicated service of utmost excellence to the student body.

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2011**

STATEMENT ON INTERNAL CONTROL (cont'd.)

The objective is to identify actions that would allow the College to reach financial stability while continuing to deliver a high quality student learning experience.

The Northern Regional College Business Improvement Plan 2010-2016 was commissioned by the College Governing Body in 2009. DEL finds the NRC Business Improvement Plan acceptable as a basis for the future financial stability of the College. In order to achieve the College vision a number of recommendations have been made within the Business Improvement Plan.

The recommendations in the plan are based on a careful combination of the following approaches:

- Reducing, over a five year period, the replicated overhead costs carried by the College in operating many sites;
- Restructuring activities that are not financially viable by moving the provision to a more advantageous funding stream, or by concentrating on the work that is of most relevance to the College's aspiration, or by increasing the charges made to students/employers, or by ceasing provision;
- Prioritising the type of curriculum that the College provides and the extent of the provision in light of the expectation of static or reduced funding in future years; and
- Improving performance so that outcomes, associated funding and student experience improves.

The Business Improvement Plan identified and focused on the following risks:

- Future Public Sector funding cuts
- Securing funding for capital projects
- Ability to adhere to proposed timescale of BIP
- Short term costs (redundancy, changes to accommodation) to fund longer term savings

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.

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2011**

STATEMENT ON INTERNAL CONTROL (cont'd.)

Internal audit carried out reviews on a number of planned areas in the year 2010/11. The assurance rating by area reviewed is set out in the table below:

Review title	Assurance Rating
Internal audit review of cash handling arrangements and income receipt	Satisfactory
Internal audit review of procurement and contracting (PAC requirement)	Satisfactory
Review of College Development Planning (PAC requirement)	Substantial
Review of the arrangements for the management of reputational risk across the College (including media briefing, complaints procedures, whistle blowing, conflicts of interest grievances, and industrial tribunal procedures)	Substantial
Review of core HR operations	Substantial
Review of Part Time Lecturers Payroll	Limited
Review of compliance with Health & Safety requirements	Satisfactory
Review of income generation and income diversity	Substantial
Review of business continuity planning and information security	Satisfactory

The overall level of assurance provided by internal audit in relation to the adequacy of the systems of internal control in place within the College was satisfactory.

Significant internal control problems

Part Time Lecturers Payroll

There was one priority one audit issue identified during the year. As a result of the review of PT Lecturers payroll in 2010/11, the Internal Auditors recommended that the current claim form-based system for making payments to part-time lecturers be replaced with a more efficient system and stronger controls are implemented to ensure that mistakes and errors are kept to a minimum. The College is currently developing a process to pay part-time lecturers based on contracts in 2011/12.

An initial working group met in June 2011 including representatives from Finance, MIS, HR and Curriculum to agree a way forward. A project team was formed and regular meetings were held in June, July and August. The Project Team consists of representatives from IT Infrastructure, HR, MIS and Finance.

To date this team have performed the following:

- Defined a new process in which information from CELCAT and e-registers is extracted to produce the claim form and electronic workflow within Sharepoint is used for authorisation of the claim form.
- Developed a new claim template.
- Prepared process flowcharts showing the detailed steps in the process.

**NORTHERN REGIONAL COLLEGE
ACCOUNTING OFFICER'S REPORT TO THE GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2011**

STATEMENT ON INTERNAL CONTROL (cont'd.)

- Carried out initial work on how the required data will be extracted from the systems.
- Prepared scenarios for running through the process to ensure it is robust.
- Contacted SERC for assistance – they currently use the system we are proposing to use.

The output will be a significantly improved system, with complex electronic workflow. This is due to be piloted by January 2012, in three schools, with full roll out by Easter 2012.

In the meantime, managers have been reminded of the need to comply with current processes.

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

Title to Larne Campus

The title to the Larne campus derives from a conveyance (“the Conveyance”) dated 20th January 1959 and made between Antrim County Council and Larne Borough Council. Title subsequently passed from Larne Borough Council to the Governing Body of East Antrim Institute for Further and Higher Education. However, the Conveyance granted to the College is both a freehold and a leasehold estate. There is no evidence to show how much of the campus is freehold and how much is leasehold. The Conveyance transfers the land by way of a “catch- all”. The “catch-all” is that Antrim County Council assigned such of the title as was leasehold to the Council “for all the residue of the term of years created by the leases under which said premises are held”.

The Conveyance did not identify “the leases”. This means that the College does not know the length of the leases, the rent or rents payable under the leases or the covenants contained in the leases. This may become an issue if the land was to be disposed of. The College would overcome this issue by the use of a title guarantee at the time of disposal. If the College was intending to sell the campus or any part of it, then before it is marketed, the College would seek to obtain this from an insurer specialising in title guarantees.

Mr. T. Neilands

23 November 2011

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 I have audited the financial statements of the Northern Regional College for the year ended 31 July 2011 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 Surpluses and Deficits, Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Governing Body and auditor

As explained more fully in the Statement of Responsibilities of the Governing Body, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit 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. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Northern Regional College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Northern Regional College; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

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.

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Northern Regional College's affairs as at 31st July 2011, and of its deficit, cash flows and total recognised gains and losses for the year then ended; and
- 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 for Employment and Learning directions made thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Department for Employment and Learning directions issued 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 Operating and Financial Review and the unaudited part of the Remuneration Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements and the part 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 on Internal Control does not reflect compliance with Department of Finance and Personnel's guidance.

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

Report

I have no observations to make on these financial statements.

K. J. Donnelly

K. J. Donnelly
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
Belfast BT7 1EU
30 November 2011

**NORTHERN REGIONAL COLLEGE
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2011**

	Notes	2011 £'000	2010 £'000
Income			
Department for Employment & Learning grants	2	24,173	24,344
Education contracts	3	6,047	6,072
Tuition fees and charges	4	2,095	2,016
Other grant income	5	498	241
Other operating income	6	974	641
Investment income	7	56	105
		<hr/>	<hr/>
Total income		33,843	33,419
Expenditure			
Staff costs	8	24,156	22,832
Other operating expenses	10	8,750	8,392
Interest payable	11	248	502
Depreciation	14	1,724	1,694
		<hr/>	<hr/>
Total expenditure before exceptional items		34,878	33,420
		<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and before tax and before exceptional items		(1,035)	(1)
Exceptional items			
Exceptional costs - staff	8	286	235
		<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and before tax		(1,321)	(236)
Taxation	12	-	-
		<hr/>	<hr/>
Deficit on continuing operations after depreciation of assets at valuation and tax	13	(1,321)	(236)
		<hr/> <hr/>	<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 2011**

	Notes	2011 £'000	2010 £'000
Deficit on continuing operations after depreciation of assets at valuation and tax	13	(1,321)	(236)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	21	999	1,311
		<hr/>	<hr/>
Historical cost surplus/(deficit) for the year		(322)	1,075
		<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 2011**

	Notes	2011 £'000	2010 £'000
Deficit on continuing operations after depreciation of assets at valuation and tax	13	(1,321)	(236)
Unrealised surplus/(deficit) on revaluation of fixed assets	14	2,837	(15,106)
Actuarial gain in respect of pension scheme including the CPI adjustment of £0 (2010 £1,558,000)	23	7,593	1
		<hr/>	<hr/>
Total recognised gains/(losses) since last report		9,109	(15,341)
 Reconciliation			
Opening reserves		33,306	48,647
Total recognised gains/(losses) for the year		9,109	(15,341)
		<hr/>	<hr/>
Closing reserves		42,415	33,306
		<hr/> <hr/>	<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 2011**

	Notes	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	14	54,345	52,130
Total fixed assets		54,345	52,130
Current assets			
Debtors	16	1,124	2,985
Cash at bank and in hand		4,530	5,272
Total current assets		5,654	8,257
Less: Creditors - amounts falling due within one year	17	(2,687)	(5,367)
Net current assets		2,967	2,890
Total assets less current liabilities		57,312	55,020
Less : Creditors: amounts falling due after more than one year		-	-
Less: Provision for liabilities	18	-	-
Net Assets excluding pension liability		57,312	55,020
Net pension liability	23	(1,262)	(8,511)
Net Assets including pension liability		56,050	46,509
Deferred capital grants	19	13,595	13,165
Endowments	20	40	38
Reserves			
Income and expenditure account excluding pension reserve	22	3,088	3,066
Pension reserve	23	(1,262)	(8,511)
Income and expenditure account including pension reserve	22	1,826	(5,445)
Revaluation reserve	21	40,589	38,751
Total reserves		42,415	33,306
TOTAL		56,050	46,509

**NORTHERN REGIONAL COLLEGE
BALANCE SHEET
AS AT 31 JULY 2011**

The financial statements on pages 37 to 71 were approved by the Governing Body of the Northern Regional College on 23 November 2011 and were signed on its behalf on that date by:

Mr. G. Gilpin

Chair of Governing Body
Northern Regional College

Mr. T. Neilands

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 2011**

	Notes	2011 £'000	2010 £'000
Cash outflow from operating activities	24	(720)	(17)
Returns on investment and servicing of finance	25	56	105
Taxation	12	-	-
Capital expenditure and financial investment	26	(78)	(213)
Financing		-	-
		<hr/>	<hr/>
Decrease in cash in the year	27	(742)	(125)
		<hr/>	<hr/>
		2011 £'000	2010 £'000
Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the period	27	(742)	(125)
Cash outflow from repayment of finance leases		-	-
		<hr/>	<hr/>
Movement in net funds in the period	27	(742)	(125)
Net funds at 1 August		5,272	5,397
		<hr/>	<hr/>
Net funds at 31 July	27	4,530	5,272
		<hr/>	<hr/>

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 2011**

1. 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.

Going concern

The activities of the College, together with factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cashflow, 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.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis for the preparation of its Financial Statements.

Basis of consolidation

The College had two subsidiaries, Causeway Childcare Ltd, a dormant company, and ABEC Ltd, a nursery within the Larne campus. Causeway Childcare Limited was struck off the Companies Register on 16 April 2010 and ABEC Ltd was struck off the Companies Register on 16 September 2011.

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 2011**

1. 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 grants, contracts 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.

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 Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings Related Pension Scheme.

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

NILGOSC is a defined benefit 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 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 College has fully adopted FRS17 'Retirement Benefits' during the year. The impact of this standard has been reflected throughout the financial statements. Prior year comparatives have been restated where appropriate.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

1. ACCOUNTING POLICIES (cont'd)

Pension Scheme (cont'd)

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.

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.

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. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. 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). 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 2011**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

Tangible Fixed Assets (cont'd)

▪ **Assets under construction**

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2011. 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.

▪ **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.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

1. STATEMENT OF ACCOUNTING POLICIES (cont'd)

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.

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 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 32.

The College has no members of staff solely dedicated to the administration of Learner Support Fund applications and payments.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

2. DEPARTMENT FOR EMPLOYMENT AND LEARNING GRANTS

	2011	2010
	£'000	£'000
Recurrent grant	22,007	22,614
Release of deferred capital grants	594	186
Additional support funds	618	527
Education Maintenance Allowance administration	45	53
Major works	414	69
Minor works	-	94
Learner access and engagement	19	31
ICT – release of capital funds	81	61
Care to Learn	98	65
Training centre operations	292	523
Other	5	121
	<hr/>	<hr/>
Total	24,173	24,344
	<hr/>	<hr/>

3. EDUCATION CONTRACTS

	2011	2010
	£'000	£'000
Entitlement Framework Courses	1,797	1,654
Training for Success	4,122	4,197
Steps to Work	-	6
Training - other	128	215
	<hr/>	<hr/>
Total	6,047	6,072
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

4. TUITION FEES AND CHARGES

	2011 £'000	2010 £'000
Higher Education (HE) income	557	450
Home and other European Union	1,534	1,566
Non-European Union	4	-
	<hr/>	<hr/>
Total	2,095	2,016
	<hr/>	<hr/>

Tuition fees funded by bursaries

Included within the above amounts are tuition fees funded by bursaries of £0
(2010: £0)

5. OTHER GRANT INCOME

	2011 £'000	2010 £'000
European funds	85	46
Other funds	413	195
	<hr/>	<hr/>
Total	498	241
	<hr/>	<hr/>

6. OTHER OPERATING INCOME

	2011 £'000	2010 £'000
Catering and residence operations	527	558
Other income generating activities	441	82
Other income	6	1
	<hr/>	<hr/>
Total	974	641
	<hr/>	<hr/>

7. INVESTMENT INCOME

	2011 £'000	2010 £'000
Other interest receivable	56	105
	<hr/>	<hr/>
Total	56	105
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

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:

	2011 Number	2010 Number
Teaching	417	429
Support	108	112
Administration	148	137
Premises	53	59
	<hr/>	<hr/>
Total	726	737

Staff costs for the above persons:

	2011 £'000	2010 £'000
Teaching	15,886	15,884
Support	2,612	2,762
Administration	4,342	4,350
Premises	1,220	1,282
FRS 17 charge	96	*(1,446)
	<hr/>	<hr/>
	24,156	22,832
Exceptional staff costs	286	235
	<hr/>	<hr/>
Total	24,442	23,067

*In its June 2010 budget, the Government announced that it intended for future increases in public sector pension schemes to be linked to changes in the Consumer Prices Index (CPI) rather than, as previously, the Retail Price Index (RPI). The College has considered the NILGOSC scheme rules and associated members' literature and has concluded that this change is a change in benefits and so has recognised the resulting credit in the Income & Expenditure account.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

8. STAFF COSTS (cont'd)

	2011 £'000	2010 £'000
Wages & salaries	20,233	20,392
Social security costs	1,482	1,456
Other pension costs (including FRS 17 adjustments) adjustments of £96k (2010: (£1,446k))	<u>2,441</u>	<u>984</u>
	<u>24,156</u>	<u>22,832</u>
Exceptional staff costs (redundancy cost)	254	116
Exceptional staff costs (enhanced pension cost)	32	119
	<u>286</u>	<u>235</u>
Total	<u>24,442</u>	<u>23,067</u>

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

	Senior post-holders		Other Staff	
	2011 No.	2010 No.	2011 No.	2010 No.
£60,001 to £70,000	-	-	7	-
£70,001 to £80,000	1	1	-	-
£80,001 to £90,000	3	3	-	-
£90,001 to £100,000	-	-	-	-
£100,001 to 110,000	-	-	-	-
£110,001 to £120,000	-	-	-	-
£120,001 to £130,000	1	1	-	-
£130,001 to £140,000	-	-	-	-
	<u>5</u>	<u>5</u>	<u>7</u>	<u>-</u>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

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.

	2011 Number	2010 Number
The number of senior post-holders including the Director was:	<u>5</u>	<u>5</u>

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

	2011 £'000	2010 £'000
Salaries	413	395
Benefits in kind	-	-
Pension contributions	59	55
	<u>472</u>	<u>450</u>
Total emoluments	472	450

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

	2010 £'000	2009 £'000
Salaries	109	107
Benefits in kind	-	-
Pension contributions	15	15
	<u>124</u>	<u>122</u>
Total	124	122

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 College other than the Director 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.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

10. OTHER OPERATING EXPENSES

	2011 £'000	2010 £'000
Direct teaching	820	767
Direct support	2,572	2,747
Administration	1,964	2,050
Consultancy Fees	57	76
Premises costs	3,337	2,752
	<hr/>	<hr/>
Total	8,750	8,392
	<hr/>	<hr/>

Other operating expenses include:

	2011 £'000	2010 £'000
Auditors' remuneration:		
Financial statements audit	25	25
Internal audit	25	26
Hire of other assets - operating leases	38	36

11. INTEREST PAYABLE

	2011 £'000	2010 £'000
Pension finance costs (note 24)	248	502
	<hr/>	<hr/>
Total	248	502
	<hr/>	<hr/>

12. 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 2011**

13. DEFICIT ON CONTINUING OPERATIONS FOR THE YEAR

	2011 £'000	2010 £'000
The deficit on continuing operations for the year is made up as follows:		
College's deficit for the year	(1,321)	(236)
	<hr/>	<hr/>
	(1,321)	(236)
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

14. TANGIBLE FIXED ASSETS

	Freehold Land £'000	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 2010	16,242	24,506	10,138	2,707	3,978	536	115	58,222
Additions	-	10,960	(10,138)	179	101	-	-	1,102
Surplus/(Deficit) on revaluation	(2,441)	3,968	-	-	-	-	-	1,527
Disposals	-	-	-	(315)	(1,415)	(111)	-	(1,841)
At 31 July 2011	13,801	39,434	-	2,571	2,664	425	115	59,010
Depreciation								
At 1 August 2010	-	-	-	1,718	3,797	464	113	6,092
Charge for the year	-	1,310	-	257	129	26	2	1,724
Revaluation	-	(1,310)	-	-	-	-	-	(1,310)
Elimination in respect of disposals	-	-	-	(315)	(1,415)	(111)	-	(1,841)
At 31 July 2011	-	-	-	1,660	2,511	379	115	4,665
Net book value At 31 July 2011	13,801	39,434	-	911	153	46	-	54,345
Net book value At 31 July 2010	16,242	24,506	10,138	989	181	72	2	52,130

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 was updated using indices supplied by the Land and Property Service to provide valuations as at 31 July 2008 and 31 July 2009 and an interim revaluation was carried out by the Land and Property Service in August 2010 providing the valuation as at 31 July 2010. That interim revaluation was updated using indices supplied by the Land and Property Services to provide the valuations as at 31 July 2011. The Newtownabbey campus was revalued by Land and Property Services as at 31 July 2011.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

14. TANGIBLE FIXED ASSETS (Cont'd)

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

	2011	2010
	£'000	£'000
Cost	13,381	12,560
Aggregate depreciation based on cost	(721)	(410)
	<hr/>	<hr/>
Net book value based on cost	12,660	12,150
	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £0k (2010: £0k) in respect of assets held under finance leases.

The depreciation charge for the year is analysed as follows:

	2011	2010
	£'000	£'000
Owned assets	1,724	1,694
Assets held under finance leases and hire purchase arrangements	-	-
	<hr/>	<hr/>
	1,724	1,694
	<hr/>	<hr/>

15. INVESTMENTS

The College had two subsidiaries, Causeway Childcare Ltd, a dormant company, and ABEC Ltd, a nursery within the Larne campus. Causeway Childcare Limited was struck off the Companies Register on 16 April 2010 and ABEC Ltd was struck off the Companies Register on 16 September 2011.

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 was 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 11 £0k, (10: £0k)
ABEC Childcare - Amount owing to NRC at 31 July 11 £0k (10: £1k)

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

16. DEBTORS

	2011	2010
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	447	432
Amounts owed by Subsidiary undertakings	-	1
Prepayments and accrued income	401	1,021
Amounts due from the Department	258	1,531
Amounts falling due after more than one year:		
Trade debtors	18	-
	<hr/>	<hr/>
Total	1,124	2,985
	<hr/>	<hr/>

17. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2011	2010
	£'000	£'000
Payments received in advance	249	169
Trade creditors	445	1,614
Taxation and social security	952	898
Accruals	945	1,402
Amounts owed to the Department	96	1,284
	<hr/>	<hr/>
Total	2,687	5,367
	<hr/>	<hr/>

18. PROVISIONS FOR LIABILITIES AND CHARGES

There were no provisions required in the year.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

19. DEFERRED CAPITAL GRANTS

	DEL grants £'000	Other grants £'000	Total £'000
At 1 August 2010			
Land and buildings	12,157	-	12,157
Other Assets	320	688	1,008
	<hr/> 12,477	<hr/> 688	<hr/> 13,165
Cash received			
Land and buildings	823	-	823
Other Assets	197	4	201
Released to income and expenditure account			
Land and buildings	311	-	311
Other Assets	142	141	283
Total	<hr/> 13,044	<hr/> 551	<hr/> 13,595
At 31 July 2011			
Land and buildings	12,670	-	12,670
Other	374	551	925
Total	<hr/> 13,044	<hr/> 551	<hr/> 13,595

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

20. ENDOWMENTS

	Unrestrict ed Permanent £'000	Total £'000
At 1 August 2010	38	38
Income for year	2	2
	<hr/>	<hr/>
At 31 July 2011	40	40
	<hr/>	<hr/>

	Unrestricted Permanent £'000	Total £'000
At 1 August 2009	36	36
Income for the year	2	2
	<hr/>	<hr/>
At 31 July 2010	38	38
	<hr/>	<hr/>

21. REVALUATION RESERVE

	2011 £'000	2010 £'000
At 1 August	38,751	55,168
Revaluations in the period (note 14)	2,837	(15,106)
Transfer from revaluation reserve to income and expenditure account in respect of :		
Depreciation on revalued assets	(999)	(1,311)
	<hr/>	<hr/>
At 31 July	40,589	38,751
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

22. MOVEMENT ON GENERAL RESERVE

	2011	2010
	£'000	£'000
Income and expenditure account reserve		
At 1 August	(5,445)	(6,521)
Deficit retained for the year	(1,321)	(236)
Transfer from revaluation reserve	999	1,311
Actuarial gain on pension scheme	7,593	1
	<hr/>	<hr/>
At 31 July	1,826	(5,445)
	<hr/>	<hr/>
Balance represented by:		
Pension reserve	(1,262)	(8,511)
Income and expenditure reserve excluding pension reserve	3,088	3,066
	<hr/>	<hr/>
At 31 July	1,826	(5,445)
	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

23. 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.

Total pension cost for the year	2011 £000	2010 £000
NITPS: contributions paid	1,580	1,612
NILGOSC: Contributions paid	765	818
NILGOSC: FRS 17 charge	96	(1,446)
NILGOSC charge to the income and expenditure account (staff costs)	861	(628)
	2,441	984
Enhanced pension charge to income and expenditure account (staff costs)	32	119
Total pension cost for year	2,473	1,103

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the NITPS was 31 March 2004 and NILGOSC was 31 March 2010.

NITPS

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).

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 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. A full actuarial review of the scheme as at 31 March 2008 is currently in progress and is substantially complete.

From 1 April 2007 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 NITPS from this date. These rates still apply in this financial year.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION AND SIMILAR OBLIGATIONS (cont'd)

FRS 17

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, 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.

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 2010 updated to 31 July 2011 by a qualified actuary.

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet date are as follows:

	31 July 2011	31 July 2010
	%	%
Rate of increase in salaries*	5.0	4.9
Rate of increase for pensions in payment/inflation	2.7	2.9
Discount rate for scheme liabilities	5.3	5.4
Expected return on assets	6.4	6.7

*salary increases are 1%pa nominal until 31 March 2012, reverting to the long term rate shown thereafter.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum additional tax free cash for post April 2009 service.

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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23. 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 2011	As at 31 July 2010
Retiring today		
Males	22.9	20.8
Females	25.7	24.1
Retiring in 20 years		
Males	24.9	22.3
Females	27.7	25.7

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

	Long- term rate of return expected at 31 July 2011	Value at 31 July 2011	Long- term rate of return expected at 31 July 2010	Value at 31 July 2010
		£'000		£'000
Equities	7.0%	16,141	7.3%	11,882
Bonds	4.6%	3,272	4.8%	2,408
Property	5.1%	1,527	5.3%	1,124
Cash	4.0%	872	4.4%	642
Total market value of assets		21,812		16,056
Present value of scheme liabilities		(23,074)		(24,567)
Deficit in the scheme		(1,262)		(8,511)

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

23. PENSION AND SIMILAR OBLIGATIONS (cont'd)

Amounts recognised in the balance sheet

	2011	2010
	£'000	£'000
Present value of funded obligations	(23,033)	(24,526)
Fair value of plan assets	21,812	16,056
	<u>(1,221)</u>	<u>(8,470)</u>
Present value of unfunded obligations	(41)	(41)
Unrecognised past service cost	-	-
	<u>-</u>	<u>-</u>
Net liability	<u>(1,262)</u>	<u>(8,511)</u>

Analysis of the amount charged to income and expenditure account:

	2011	2010
	£'000	£'000
Employer service cost (net of employee contributions)	861	930
Past service cost	-	(1,558)
	<u>-</u>	<u>(1,558)</u>
Total operating charge	<u>861</u>	<u>(628)</u>

Analysis of pension finance costs:

Expected return on pension scheme assets	1,092	894
Interest on pension liabilities	(1,342)	(1,361)
Losses on curtailments and settlements	-	(37)
Contribution in respect of Unfunded Benefits	2	2
	<u>2</u>	<u>2</u>
Pension finance costs	<u>(248)</u>	<u>(502)</u>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

23. PENSION AND SIMILAR OBLIGATIONS (cont'd)

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

	2011	2010
	£'000	£'000
Actuarial gains/losses on pension scheme assets	4,134	1,622
Actuarial gains/losses on scheme liabilities include CPI credit of £nil (2010 £1,558,000)	3,459	(1,621)
	<hr/>	<hr/>
Actuarial (loss)/gain recognised in STRGL	7,593	1
	<hr/> <hr/>	<hr/> <hr/>

Movement in (deficit) during the year

	2011	2010
	£'000	£'000
(Deficit) in scheme as at 1 August	(8,511)	(9,456)
Movement in the year:		
Employer service cost (net of employee contributions)	(861)	(930)
Employer Contributions	765	818
Past service cost	-	1,558
Net interest/return on assets	(248)	(502)
Actuarial gain/loss	7,593	1
	<hr/>	<hr/>
(Deficit) in scheme at 31 July	(1,262)	(8,511)
	<hr/> <hr/>	<hr/> <hr/>

Asset and liability reconciliation:

	2011	2010
	£'000	£'000
Reconciliation of liabilities		
Liabilities at start of period	24,567	22,228
Service cost	861	930
Interest cost	1,342	1,361
Employee contributions	289	325
Experience gains and losses on scheme liabilities		
Actuarial (gain)/loss	(3,459)	1,621
Benefits paid	(526)	(377)
Past service cost	-	(1,558)
Curtailments and settlements	-	37
	<hr/>	<hr/>
Liabilities at end of period	23,074	24,567
	<hr/> <hr/>	<hr/> <hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

23. PENSION AND SIMILAR OBLIGATIONS (cont'd)

Reconciliation of assets

	2011 £'000	2010 £'000
Assets at start of period	16,056	12,772
Expected return on assets	1,092	894
Contribution in respect of Unfunded Benefits	2	2
Actuarial gain/(loss)	4,134	1,622
Employer contributions	765	818
Employee contributions	289	325
Benefits paid	(526)	(377)
Assets at end of period	<u>21,812</u>	<u>16,056</u>

The estimated value of employer contributions for the year ended 31 July 2012 is £828k.

History of experience gains and losses:

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Difference between the expected and actual return on assets Amount £'000	4,134	1,622	(2,105)	(1,871)	473
Experience gains and losses on scheme liabilities Amount £'000	3,462	2	-	(287)	-
Total amount recognised in STRGL Amount £'000	7,593	1	(4,786)	(1,203)	2,327

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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24. RECONCILIATION OF OPERATING (DEFICIT) TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2011	2010
	£'000	£'000
Deficit on continuing operations after depreciation of assets at valuation	(1,321)	(236)
Depreciation (note 14)	1,724	1,694
Deferred capital grants released to income (note 19)	(594)	(186)
Interest receivable (note 7)	(56)	(105)
FRS 17 pension cost less contributions payable (note 23)	344	(944)
(Increase)/decrease in debtors	1,861	(1,120)
Increase /(decrease) in creditors	(2,678)	880
	<hr/>	<hr/>
Net cash outflow from operating activities	(720)	(17)
	<hr/>	<hr/>

25. RETURNS ON INVESTMENT AND SERVICING OF FINANCE

	2011	2010
	£'000	£'000
Other interest received	56	105
	<hr/>	<hr/>
Net cash inflow from returns on investments and servicing of finance	56	105
	<hr/>	<hr/>

26. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2011	2010
	£'000	£'000
Purchase of tangible fixed assets	(1,102)	(10,344)
Deferred capital grants received	1,024	10,131
	<hr/>	<hr/>
Net cash outflow from capital expenditure and financial investment	(78)	(213)
	<hr/>	<hr/>

27. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 August		At 31 July
	2010	Cash	2011
	£'000	£'000	£'000
Cash in hand, and at bank	5,272	(742)	4,530
	<hr/>	<hr/>	<hr/>
	5,272	(742)	4,530
	<hr/>	<hr/>	<hr/>

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

28. CASHFLOW RELATING TO EXCEPTIONAL ITEMS

	2011	2010
	£'000	£'000
Provision as at 1 August	131	86
Income and expenditure account charge	286	235
Operating cash outflow	(267)	(190)
	<hr/>	<hr/>
Provision as at 31 July	150	131
	<hr/>	<hr/>

29. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

30. CAPITAL COMMITMENTS

	2011	2010
	£'000	£'000
Commitments contracted for at 31 July	-	-
Authorised but not contracted at 31 July	-	1,416

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

Owing to the nature of the College's operations and the composition of the 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.

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

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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31. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT (cont'd)

	Related organisation	Position in related organisation	Amount paid 2011 £'000	Amount paid 2010 £'000	Nature of transactions	Amount outstanding at 31 July 2011 £'000	Amount outstanding at 31 July 2010 £'000
A. Rankin Governor	University of Ulster	Finance and Planning Information Controller	114	96	Accreditation and examination fees	1	1
			(100)	(106)	Project	-	-
S. Davidson Governor	Henderson Group	Director of Human Resources	17	40	Goods for catering service	-	-
			(8)	-	HE Fees	-	(4)
T. Jamieson Governor	NEELB	Member of the Board	11	9	Hire of facilities	-	-
			(2)	-	Course Fees	-	-
AM. Campbell Governor	MDC	Director of Policy & Development	-	(1)	Course Fees	-	-
C. Taylor Governor	FG Wilson	Human Resources Manager	(8)	(5)	Course Fees	(5)	-
K. Nelson Governor	Ballymena Academy	Member of the Board	(36)	(46)	Entitlement Framework	-	-
	Enterprise N.I.	Chair of the Board	-	5	Management Fees	-	-
			-	(4)	Course Fees	-	-
	Larne Community Enterprises	Member of the Board	(2)	-	Course Fees	-	-
	ABEC Childcare Ltd	Subsidiary	-	-	Running Costs	-	11

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2011**

31. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT (cont'd)

	Related organisation	Position in related organisation	Amount paid 2011 £'000	Amount paid 2010 £'000	Nature of transactions	Amount outstanding at 31 July 2010 £'000	Amount outstanding at 31 July 2009 £'000
T. Neilands Director	Colleges Northern Ireland	Vice Chair of the Board	100	101	Annual Subscription	-	1
G. Gilpin Governor		Member of the Board	(1)	-	Reimbursement of expenses	-	-
U. O'Kane Governor	St Pius X College	Member of the Board	1	-	Hire of Facilities	-	-
			(34)	(34)	Entitlement Framework	(1)	(1)
P.J. McEvoy Governor	Ballymena Business Centre	Chair of the Board	(8)	-	Course Fees	(8)	-
C.O'Neill Governor	Ballymena Chamber of Commerce	Member	2	2		-	-
K. Collins Governor	E.G.S.A.	Director	-	-		-	-
T. Neilands Director		Member of the Board	-	(1)		-	-

**NORTHERN REGIONAL COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
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32. SUPPORT FUNDS

	Year Ended 31 July 2011 £'000	Year Ended 31 July 2010 £'000
Balance at 31 July	462	467
DEL grants	(227)	151
Disbursed to students	(139)	(156)
	<hr/>	<hr/>
Balance unspent at 31 July	96	462
	<hr/>	<hr/>

33. LOSSES AND SPECIAL PAYMENTS

	Year Ended 31 July 2011 £
Losses and special payments	20,810
	<hr/>
Bad debt written-off during year	
- related party	8,901
- operational < £1000	7,571
> £1000	4,338
	<hr/>
	20,810
	<hr/>

The number of individual debts write off below £1,000 is 235 and the number of individual debts write off greater than £1,000 is 2. The range of the debt write off greater than £1,000 is from £1,862 to £2,475 and relates to debt for student fees.