



South West College

Annual Report and Financial Statements

For the Year Ended 31 July 2025

South West College

Annual Report and Financial Statements

Year Ended 31 July 2025

*The Accounting Officer authorised these
financial statements for issue*

*on
2nd February 2026*

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

on

CONTENTS

Strategic Report for the Year Ended 31 July 2025.....	3
Remuneration Report for the Year Ended 31 July 2025.....	29
Staff Report for the Year Ended 31 July 2025	38
Statement of the Responsibilities of the Accounting Officer and Governing Body for the Year Ended 31 July 2025	42
Statement of Corporate Governance and Internal Controls for the Year Ended 31 July 2025	44
Assembly Accountability Disclosure for the Year Ended 31 July 2025.....	58
Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.....	59
Statement of Comprehensive Income and Expenditure for the Year Ended 31 July 2025.....	64
Statement of Changes in Reserves for the Year Ended 31 July 2025.....	65
Statement of Financial Position for the Year Ended 31 July 2025	66
Statement of Cashflows for the Year Ended 31 July 2025.....	67
Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025	68
Notes to the Financial Statement for the Year Ended 31 July 2025	76

Strategic Report for the Year Ended 31 July 2025

NATURE, OBJECTIVES AND STRATEGIES

Organisational Overview

South West College (SWC) is a substantial provider of education and training with a main catchment covering the counties of Tyrone and Fermanagh. As part of the Northern Ireland Further Education (FE) sector, South West College takes a pivotal role in generating a strong and vibrant economy through the development of professional and technical skills, increasingly at higher levels. South West College has a dual mandate to support economic development through education and skills, and to support social inclusion by providing those with low or no qualifications, or who have other barriers to learning, with the skills and qualifications needed to find employment and to become economically active.

South West College operates across the four major towns in the region: Omagh, Dungannon, Cookstown and Enniskillen and falls within the Council Districts of Fermanagh and Omagh District Council and a significant component of Mid Ulster. Collectively both councils have a population of approximately 268,000. The College's footprint covers a large rural area within those Council Districts servicing a population of 215,000 people approximately. Although encompassing a primarily rural area, our campuses are located within an industrial region which is home to key sectors including Manufacturing, Engineering and Construction. The College offers a broad spectrum of high quality professional and technical education aimed at meeting the needs of our students, the local community and industry in this region.

Whilst the region continues to be challenged by pockets of low qualification attainment and economic inactivity, it is also home to a significant industrial base including the Mid Ulster Manufacturing cluster which employs almost twice as many people in this sector than any other Council region in Northern Ireland. Health and Social Care; Construction and Retail also remain economically important sectors of the regional economy.

At a regional level South West College works strategically with Fermanagh & Omagh and Mid Ulster District Councils to shape and realise the Community Plans of both regions. Both these councils have recently come together, along with Armagh, Banbridge and Craigavon Borough Council to build a new economic alliance for the 'Mid-South West' region and a new Regional Economic Strategy has been developed. South West College has also actively participated in the newly established Labour Market Partnership initiatives led by the local councils.

There are several sub-regional issues pertinent to the area that shape College priorities, community engagement and the skills and employability initiatives we offer to our students. Economic inactivity remains an ongoing issue for the region with a quarter of the working age population considered as economically inactive. In addition to this, the region has consistently ranked high in terms of its percentage of working age residents having no formal qualifications,

with above NI average rates and falling within the lowest performing council areas. It is against this background that the College continues to prioritise targeted social inclusion and employability initiatives as the initial steps on a pathway where all learners can enter at their level and progress through a range of professional and technical education options leading to further and higher education.

The industrial profile of the South West region necessitates a particular focus on the development of Higher Level technical and professional skills. South West College has strategically responded to this need through the development of innovative apprenticeships and a modern Further Education curriculum. South West College has also developed a wide range of Higher Education programmes, including honours degrees and foundation degree programmes, mainly in Science, Technology, Engineering and Mathematics (STEM) subjects. South West College works closely with a wide range of partners; universities, schools, businesses and local councils, and has extended its international outreach in support of students and the development of the economy. Accordingly, South West College is a key player in the economic development of the region, working closely with the business community in developing the skills necessary for current and future jobs.

Legal Status

The current arrangements for further education in Northern Ireland were established by The Further Education (Northern Ireland) Order 1997 with Colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the Office for National Statistics, in 2010, reclassified colleges as part of Central Government. This has resulted in colleges being determined as Non-Departmental Public Bodies. Colleges have been granted charitable status by the UK HM Revenue and Customs.

Mission Statement

The College is committed to strengthening the partnership with the communities we serve, to provide citizens from across the region with lifelong high quality, full and part time learning opportunities. A key focus this year will be on student experience and initiatives designed to positively enhance the experience of all students. Commitments are underpinned by the vision, mission, and values which reflect the College's commitment to inspire, promote and empower lifelong learning for the people of the region, working in partnership with our local employers and industry.

Our Vision, Mission and Values



OUR VISION

Inspiring Learning -
Empowering People



OUR MISSION

South West College works, in partnership, to provide inclusive lifelong learning opportunities, to enrich lives, support business and to promote community, economic and social wellbeing.



OUR VALUES

Respectful
Accountable
Engaging
Committed

Strategic Planning and Context

South West College (SWC) in Northern Ireland operates within a strategic framework aligned with regional economic conditions and key policy documents. The college's strategic planning is influenced by the Northern Ireland Programme for Government and the "New Decade, New Approach" agreement, which guide its contributions to economic and social development, and is operational in the annual College Development Plan.

Then Economy Minister, Conor Murphy outlined four key priorities: creating good jobs, promoting regional balance, raising productivity, and reducing carbon emissions and these are still key priorities for the present Minister, Dr Caoimhe Archibald. SWC aligns its strategies with these priorities by focusing on professional and technical education, apprenticeships, and higher education programs, particularly in STEM fields. These efforts aim to support economic development while fostering social inclusion by providing skills and qualifications to those with low or no qualifications.

A significant strategic development for SWC is the Erne Campus, which opened in April 2021. This campus is recognized as a world leader in sustainable educational buildings, being the first in the world to achieve both Passive House Premium and BREEAM Outstanding accreditations. The Erne Campus serves as a living laboratory for student learning and exemplifies SWC's commitment to sustainability. It supports carbon reduction targets through innovative design features like advanced insulation, renewable energy systems, and energy-efficient technologies.

Through these initiatives, SWC demonstrates its commitment to the Departmental priorities by creating sustainable educational environments that enhance regional economic growth, improve productivity, and contribute to carbon emission reductions.

Key Activities and Achievements

September 2024

- SWC showcased STEM at the NI International Air Show (Portrush STEM Village), promoting engineering and computing careers
- Students and staff marked Good Relations Week 2024 with events themed 'OpportUNITY'
- WorldSkills Lyon 2024: former SWC electrical student Daniel Knox awarded a Medallion for Excellence

October 2024

- 'All About Higher Education' advice and guidance day announced for 20 November to support Year 13–14 progression planning.

November 2024

- Secured €9.8m PEACEPLUS funding for the Green Accelerator Skills Programme (GRASP) to tackle green skills shortages in the cross-border construction sector
- Announced SWC's AI in Education Conference 2025 to explore AI's role in teaching and learning
- WorldSkills UK National Finals: SWC students won gold and bronze medals across categories
- SkillPLUMB National Champion: SWC apprentice David Bateman-Smith won UK Gold
- Former BTEC student Laura Simões awarded a prestigious c.£20k JP McManus Scholarship
- Hosted Springboard FutureChef 2024/25 local finals across Dungannon & Erne campuses

December 2024

- Higher Education Graduation ceremonies held at Strule Arts Centre, Omagh

January 2025

- Shortlisted for the AoC Beacon Award (Education for Sustainable Development) ahead of March announcements

February 2025

- Historic All-Ireland victory: SWC claimed the Corn na Mac Léinn Cup, defeating New York in the final
- Northern Ireland Apprenticeship Awards 2025: multiple SWC finalists across categories

March 2025

- SWC named national winner of the AoC Beacon Award — Sustainable Energy First Award for Education for Sustainable Development

April 2025

- PRISM: €7.6m awarded for 'Powering Research & Innovation for Advanced Manufacturing' project with partners
- Plumbing & Heating apprentices progressed on the pathway toward WorldSkills Shanghai 2026
- Catering & Hospitality students excelled in Rotary Generation Chef regional heats hosted at SWC

May 2025

- Launched five fully-funded Higher Education Community Scholarships worth £52,000 for 2025/26
- Shortlisted in three categories for the 2025 OCN NI Learning Endeavour Awards ahead of the 24 June ceremony

June 2025

- GRASP 'Green Accelerator Skills Programme' officially launched: €9.8m cross-border green skills project commenced with partners
- College re-certified for Cyber Essentials and Cyber Essentials Plus, strengthening cyber security posture

South West College Development Planning

For the period 2025/26, a College Development Plan (CDP) has been produced and this sets out, in detail, the current operating environment and the regional operating context in the South West. The CDP also presents the key performance indicators (KPIs) for curriculum and qualifications, employer engagement and social inclusion within the budget allocation.

A core aspect is that South West College curriculum provides direct opportunities for student progression either within the College or in conjunction with partner organisations. Curriculum priorities are informed by skills needs identified through key government strategies, the minister's priorities, the NI skills barometer, FE sector curriculum hubs, local data and direct engagement with employers and employers' bodies. On an annual basis the current curriculum is reviewed to establish if fit for purpose and new curriculum is planned and developed as needed. This planning process also includes an assessment of need and projected enrolments based on recruitment patterns, conversion rates and historic progression trends. This generates a demand profile for programmes and in turn staffing costs and delivery costs. Consideration in curriculum planning is also afforded to quality assurance and student retention, achievement and success with assessment of strengths and areas for improvement and development.

Financial objectives

South West College's high level financial aims include achieving good financial performance through income generation and efficient operation, supporting and facilitating the service provision and progressing strategic priorities.

This was supported by specific financial objectives, which include:

- To deliver an actual Resource Requirement in line with its approved Resource Budget Allocation (April 2024 – March 2025 fiscal year) - achieved;
- Prompt payment of invoices – 95% within 30 days as set by the Treasury – 90% achieved
- Unqualified External Audit Report -achieved.
- To generate sufficient levels of income to support the asset base of the College;
- Further development of monitoring, reporting, budgetary control and financial management to enhance performance reporting;
- To ensure robust financial planning and risk management.

An internal audit review of 'Budgetary Management and Financial Control' was undertaken by the Internal Auditors during the year, and this received a 'Satisfactory' Assurance rating with no recommendations.

During 2024/25, performance against budget has been monitored throughout the year by the preparation of monthly management accounts. Financial Management Reports are presented at each of the meetings of the Finance & General Purposes Committee of the Governing Body. These reports include an Income and Expenditure account and Statement of Financial Position, with comparatives against its prior year position. Each month budget holders have been issued with financial reports indicating performance against budget and variances highlighted to ensure corrective action is taken. The Head of Finance & Governance reported the budget position at the monthly Corporate Services Team meetings.

Performance Summary

Over the course of the year South West College continued to focus on students, staff and curriculum at the core and on delivering excellent results and outcomes. In a rural region, an important South West College priority is to provide a progression pathway for all students from Level 2 to Level 6 through curriculum which is directly aligned to the needs of industry. This year, a highlight was the continued growth in Higher Level Apprenticeships which is an important new progression pathway for work-based learning students in industry, and the continued development of Traineeships and Advanced Technical programmes, along with introduction of apprenticeships in new areas such as Dental Nursing. The college also prioritises working with those currently having difficulty entering the workforce due to lack of qualifications or other reasons, and runs a number of externally funded Social Inclusion projects to build capacity and capability in our local community.

Performance objectives for the 2024/25 academic year were established at the start of the year through the annual college development planning process. Article 20 of the Further Education (Northern Ireland) Order 1997 requires that each college prepare a College Development Plan (CDP) for submission to the Department for the Economy. The CDP outlines South West College's strategy and business plan.

The CDP sets out the operational plans within the budget remit defined by DfE. The educational and performance measures are detailed in three report cards:

- Report Card 1 – Innovation;
- Report Card 2 – Inclusive Growth; and
- Report Card 3 – Sustainability.

On an annual basis the development plan is reviewed to establish if fit for purpose and new curriculum and services are planned. Performance objectives are considered across a number of areas in terms of curriculum delivery, student performance, social inclusion and employer engagement. These education outcomes and associated performance measures have been developed and align with the Outcome Based Approach (OBA) promoted by the draft Programme for Government.

Curriculum Delivery

In 2024/25, South West College recorded 19,901 enrolments excluding Essential Skills—up by 2,823 from 17,078 in 2023/24. The total number of individual students across campuses and out-centres was 14,122. (Data as per September 2025 CDR)

Skills for Life and Work recorded 310 enrolments; Traineeships 1,558; AppsNI 2,647; and Higher Level Apprenticeships 582—reflecting strong demand for work-based technical skills and expansion into new occupational areas, in particular in engineering and construction which, outside of retail and agriculture, are the largest employment sectors in the region, along with the introduction of apprenticeships in new areas such as pharmacy assistants.

Delivery of full-time FE provision decreased from 1,246 to 1,177 as a result of Level 2 FE courses moving to Traineeships. Full-time FE enrolments were 1,177 (104% of the 1,135 CDP target). Even allowing for the skewing of the figures due to the move to traineeships the pressure on FT FE enrolments has been evident for a number of years and remains a significant concern, impacted by a drop in the number of school learners at 16 years old. It was hoped that the introduction of Traineeships and Advanced Technical Awards would allow FE to build a distinct brand awareness in the 16-18 market. While Traineeships have been introduced and are gaining some brand recognition, the Advanced Technical has not achieved what was hoped and funding has been discontinued.

HE remained competitive: full-time HE increased from 468 to 505 (94% of target), while part-time HE rose from 525 to 617 (119% of target). These figures exclude HLAs and include PT HE funded

via Skills Focus and Flexible Skills.

Source: SWC CDR

Student Performance

FE College performance is measured across three indicators:

- Retention rate is defined as the percentage of final year regulated enrolments completed by students. Since 2012/13, those who complete their course early (and recorded in the data as a withdrawal) and who have subsequently achieved their programme of study qualification have been regarded as a 'completer';
- Achievement rate relates to the percentage of final year regulated enrolments completed by students who achieve a qualification; and
- Success rate is recognised as the overall measure of performance, which is the percentage of final year regulated enrolments of students who complete and achieve a qualification.

Retention Rate

Over the period 2018/19 to 2023/24, the retention rate at FE Colleges has stayed steady at around 90%. In 2023/24 retention in SWC was 90%, comparable to the sector overall. In 2024/25 SWC retention was 92.4% (target 89%; FE sector comparator 91%).

Achievement Rate

The achievement rate at FE Colleges has stayed steady at around 86% overall, while that of SWC has stayed steady at 83%. In 2024/25, SWC achievement to date is 82.9% against a target of 83.5%.

Success Rate

SWC Success rates lag the sector average in the last number of years. In 2023/24 this was a variance of -2%. This is a key priority area to address. In 2024/25, overall success was 82.1% versus a 75% target. (FE Sector comparator was 79% for 2024/25).

The biggest divergence from the sector is at Levels 2 and below, where success is 5% below the sector average. Next is Entry and Level 1, at 4%. Success rates at Level 4 are above sector average by 2%, and 1% above sector average at Level 4 and above.

The vocational area with the biggest divergence from sector average is Preparation for Life and Work (Essential Skills, ESOL, Employability programmes) at 20% below the sector average. This is the largest area for enrolments in the College and so has a large effect on the overall college success rate.

There is an established link between economic deprivation and educational attainment which is a

contributory factor here. 86% of SWC learners come from the bottom three deprivation quintiles, compared to 67% of the sector average. Therefore, continuing to promote essential skills development, education outcomes and entry into education for disengaged individuals will remain as a priority for South West College, despite it being one of the more challenging areas of work.

South West College has enhanced the curriculum this year through the further development of employability, and enterprise skills. Academic staff work to embed Project Based Learning innovative concepts to provide a more flexible, responsive curriculum that enables students to improve their communication skills, become problem-solvers, develop a positive attitude and demonstrate entrepreneurial skills which promote job readiness. The College is leading on the use of Artificial Intelligence in enhancing the curriculum and has developed courses for lecturers and teaching staff in other institutions.

Social Inclusion

The Social Inclusion provision in South West College continues to be strategically important, given regional data which shows that South West College attracts one-half (49.1%) of its students from areas of high social deprivation and disadvantage, domiciled in deprivation quintiles 1 and 2. South West College has seen a growth in enrolments from students from deprivation quintiles 1 and 2, from 9,296 in 2022/23 to 9,623 in 2023/24 (+3.5%), and 11,203 2024/25 (16.4%), from students with registered disabilities; 1,802 to 2,168 (+20.4%) respectively.

South West College has a clear vision for social inclusion and is highly committed to developing accessible learning programmes that enable progression pathways irrespective of the students' entry point or socio-economic barriers to education. South West College strives for success, to meet the diverse and often complex needs of these students through a range of provision and externally funded programmes which supports 874 people annually with progression to education, training and employment. This support has ensured 145 students progressed to sustained employment and 339 progressed to FE/HE/Training programmes.

Following the EU Exit, there was a risk of reduced social inclusion provision at South West College if alternative projects or funding were not secured. In response, the college has actively pursued and secured funding through initiatives such as Peace Plus and is currently delivering the STEP-Up programme (DFE), alongside the REAP project funded by the UK Shared Prosperity Fund (UKSPF). The REAP project was initially supported for two years, with a further year granted at a reduced funding level. A new three-year funding stream is anticipated for release in the autumn, for which the college plans to apply.

Additionally, South West College continues to tender annually for Local Labour Market Partnership (LMP) small grants funding, which enables the delivery of targeted social inclusion and employability initiatives across the region.

The Youthscape+ programme, funded under Peace Plus with €7.2 million, is being delivered over a

four-year period and will support approximately 1,200 young people within the border counties. South West College remains committed to supporting all citizens in the region to achieve their full potential, offering part-time FE and Skills for Work and Life options to students.

Employer Engagement

Employer engagement, and in particular Small and Medium Sized Enterprises (SME) innovation, remains an important area in South West College with 250 businesses supported annually through the South West College InnoTech innovation centre. This includes InnovateUs innovation support, innovation vouchers, Intertrade Ireland Boost programme and Knowledge Transfer Partnerships. Product development and innovation is at the heart of growth but often needs costly technology support. These programmes help businesses to develop new and innovative products, improve existing products, streamline production processes, implement quality systems, improve environmental performance, enhance design capabilities, and develop and implement IT solutions. They enable companies to seek knowledge and expertise from colleges on projects such as:

- ideas for new or improved products, processes, and services;
- product and service testing;
- access to information and expertise on new materials; and
- tapping into research and scientific expertise.

In 2024/25 South West College maintained delivery of the DfE funded InnovateUs Programme. Due to the funding levels changing for the Skills Focus programme from 100% funded to 75% this has heavily impacted the programme at a time when manufacturing businesses in the region faced redundancies and with the cost-of-living crisis this has affected demand and delivery. This programme facilitates collaborative working between business and the Colleges to provide tailored skills provision to SMEs to increase the skills levels of the workforce to Level 2 and above. Funding has now increased to 90% funded and with the economic landscape improving slightly it is hoped that programme delivery will be increased 25/26.

Through the SME Productivity Booster 8 businesses were supported with lean manufacturing, cost reductions and productivity. The college also delivered the Women Returners Programme supporting 8 women back into employment through a Level 2 business administration qualification and work placement.

The Intertrade Ireland Business Explorer Programme has increased momentum with the college delivering four projects in 24/25. This programme is a precursor to the innovation boost programme. South West College secured one project with a business in the South of Ireland.

Key Performance Indicators and Outcomes

SWC performance for 24/25 against the targets in the College Development plan is noted in table 1 below. Areas where targets are not met are explained in table 4. Looking forward, in the 2025/26 academic year, South West College aims to maintain the growth seen from 2023/24 to 2024/25. With constrained budgets affordable growth can only be achieved in areas which carry alternative sources of income ie not in areas funded under the block grant. The College will be running a number of strategic projects aimed at building capacity and capability in the college and across its partner network, which will lay a foundation for further growth in the future. SWC plans to build its capacity and capability in non-traditional apprenticeship areas, but this growth will not be fully realised in 2025/26. South West College anticipates delivery at a level consistent with previous years. Overall performance levels in 2024/25 for student retention, achievement and success have improved compared to 2023/24 levels, particularly in the area of achievement and hence success. It is intended to maintain this improvement in 2025/26.

Table 1 shows curriculum key performance indicators in terms of enrolment levels for full time FE and HE, Work Based Learning, Traineeships, Entitlement Framework, and Essential Skills. Performance in two areas, HE Full Time and SFLW/ Apprenticeships fell below projected targets and an explanation for this is provided in Table 4.

2024/25 Qualifications	Target (Enrolments)	Achieved
Further Education Full Time	1,135	1,179 (104%)
Further Education Mainstream Part Time	10,951 (7,450 individuals)	13,462 (123%)
Higher Education Full Time	537	504 (94%)
Higher Education Part Time	268	395 (147.4%)
SFLW/Apprenticeships	2,836 (1,507 individuals)	2,937 (104%)
Traineeships	1095	1516 (138%)
Higher Level Apprenticeships	530	580 (110%)
Entitlement Framework	785	786 (100%)
Essential Skills	2,200 (of whom 238 individuals are not already included elsewhere)	2,635 (120%)
Retention	89%	92.4%
Achievement	83.5%	88.9%
Success	75%	82.1%

Table 1: Curriculum KPI

Table 2 shows employer engagement performance in terms of budget spend on core programmes, delivery of three Assured Skills Academies and other key innovation programmes. Performance on the Innovation Boost and Innovation Vouchers programmes fell below the projected target due to technical consultants moving to work on peace plus projects.

2024/25 Employer Engagement Target	Achieved
InnovateUs - Budget Spend £350,000	£326,400- 77 projects
Skills Focus - Budget Spend £200,000	£105,230- 180 enrolments. 92 companies engaged with.
Assured Skills Academy	£150,000 <ul style="list-style-type: none"> • 3 Academies in Welding • 2 Robotics Academy completed • 55 learners • 40 businesses supported
Business Explorer, Innovation Boost and KTP Projects - 7 projects	4 projects
Innovation Voucher projects - 13 projects	8 projects
SME Productivity Booster	8 complete

Table 2: Employer Engagement KPI

The College's Innotech Team successfully delivered 96 innovation projects in 2024/2025 and is committed to delivering 92 projects in 2025-2026 in line with the challenging budgetary position.

Delivery this year will also be focused on the three Peace Plus projects successfully secured in 24/25.

The first is the SMART Rural Innovation Driven Empowerment Programme, or STRIDE. South West College is leading this with partners including Ulster University, Fermanagh and Omagh District Council, Atlantic Technological University Sligo, Leitrim County Enterprise Fund, and Alacrity, with Leitrim County Council supporting as an associate partner. The aim is to help rural communities use ICT to identify digital challenges and develop tailored solutions. The insights gathered will also support engagement with policymakers, giving communities a stronger voice in shaping future strategies.

The second project is the Green Accelerator Skills Programme, or GRASP, which has secured €9.8 million in PEACEPLUS funding. This cross-border initiative addresses the growing skills gap in green construction. Alongside South West College, partners include several education and training boards across the North and Republic, Futurecast, ICBAN, and regional colleges. GRASP will be based at the Technology and Skills Centre in Enniskillen but will deliver activities across nine counties, including Armagh, Donegal, Cavan, Sligo, and Leitrim. The programme includes 50 different Green Skills training opportunities focused on areas like domestic retrofit, Passive House design, PV systems, and environmental auditing. It also features two targeted academies: one for women entering construction and another focused on labour market activation.

The third project, PRISM (Powering Research and Innovation for Sustainable Manufacturing), received €7.6 million in PEACEPLUS funding. It brings together South West College with Atlantic Technological University, Queen's University Belfast, Dublin City University, North West Regional College, and Cavan Innovation and Technology Centre. The focus is on helping SMEs adopt low-carbon manufacturing practices. Through this project, 24 companies across three sectors—mineral processing, polymer processing, and agrifood—will receive expert support to develop more sustainable products and reduce the environmental impact of their processes.

Table 3 shows social inclusion and social deprivation performance in terms of individuals in key areas, outputs from targeted programmes and overall number of individual students supported. Most areas exceeded projected performance in social inclusion.

Planned Activity	2024/25 Planned	2024/25 Achieved
Individuals within Quintile 1 and 2	5,849	7,189
Individuals declaring a disability/long term health problem	806	893
Individuals on Step Up	349	371
Individuals on Skills for Life and Work	68	84
Individuals on the REAP programme	200	195
Individuals on ESOL programmes	259	214

Table 3: Social Inclusion KPI

The specific areas of underperformance in terms of curriculum enrolments and employer engagement with a rationale provided for each area of underperformance are discussed below:

Planned Activity	2024/25 Planned	Actual	Reasons for Variances
Higher Education Full Time (HE FT)	537 enrolments	505 enrolments (94%)	HE FT recruitment had been challenging for various reasons - direct progression from FE programmes has reduced, due to an overall decline in FE FT. Grade inflation at A-Level has also resulted in a larger number of students, who would have traditionally followed a 'HE in FE' pathway, going directly to university. The Higher Level Apprenticeship pathway has also proved attractive, and this has had an impact.
Traineeships	545	509 (94%)	An increase in apprenticeships was accompanied by a decrease in traineeships as employers in a number of areas took students as an employed apprentice.
Achievement Rate	83.5%	88.9%	We implemented a comprehensive improvement plan especially with regards to Essential Skills achievement and this has been reflected in the achievement rates.
Business Explorer, Innovation Boost and KTP Projects	7 projects	4 projects	Constraints in staff resources impacted on the number of projects delivered.
Innovation Voucher Projects	13 Projects	8 Projects	Constraints in staff resources impacted on the number of projects delivered.

Table 4: Underperformance of Curriculum Enrolments and Employer Engagement

Source: SWC CDR

FINANCIAL POSITION

Financial Results

South West College generated a deficit on continuing operations of £1.778M in the year (2023/24 – deficit £4.085). South West College recognised an exceptional gain of £574k (2023/24 £604K) as a result of an insurance rebate from Resolis after an annual benchmarking exercise.

South West College's turnover increased by £3.992M (8.1%) to £53.159M. Staff costs have increased by £2.252M (7.9%) to £30.843M. Included within this figure are statutory pay increases for Lecturing and Support staff. Other operating expenses have increased by £2.296M (16.5%).

South West College has significant reliance on DfE for its principal funding source, largely from recurrent grants. In 2024/25, DfE provided 61.9% of South West College's total income through allocated recurrent grant (2023/24 55.6%). This represented 14.51% of the total recurrent grant available to the sector (2023/24 13.26%).

South West College is involved with various educational partnerships and joint ventures. None of these are considered to be material, nor do they have any significant assets or liabilities not already reflected in the financial statements.

The interest charges of £2.376M relate to the notional interest calculated in respect of the PFI contracts of £2.374M and a finance interest charge of £2K in relation to accounting for pensions. At the 31 July 2025 there were twelve years remaining on the PFI contracts and a total liability of £28.059M.

Buildings were subject to a physical valuation as at 31st July 2025 provided by Land and Property Services. The £6.935M movement on revaluation comprised annual revaluation of buildings and land.

In the financial year ending 31 July 2025, The Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) pension was an asset. The recognition of a pension surplus per Accounting standard FRS102 (section 28) notes that a pension asset may be restricted, if the College cannot benefit from reduced employer contributions in the future. Therefore, the asset ceiling for the annual financial statements for the year ended 31st July 2025 has been set to zero in the Statement of Financial Position.

Reserves

South West College has accumulated reserves of £101.961M, including a property revaluation reserve of £98.27M, and cash balances of £5.424M.

The revaluation reserve of £98.27M has accumulated through revaluation of land and buildings over the cost, capitalised value or in respect of assets inherited at no cost from another party.

Treasury policies and objectives

Treasury Management

Treasury management is the management of South West College's cash flows, its banking and investment transactions and the effective control of the risks associated and pursuit of optimum performance consistent with those risks – to attain the best rate of return on investment funds.

As interest rates continue to remain low and as a result of the cash drawdown process now in operation, South West College has retained cash in current accounts during 2024/25.

Cash flows

The operating cash flow for South West College for the year increased, reflected in the movement of net funds in the Cash Flow Statement. South West College had no borrowings at the year end or during the year. With a cash balance of £5.42M (2023/24 £3.35M), South West College's liquidity is within the Department's target for College cash reserves.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student Numbers

The South West College's student establishment increased during the year by 4.8%, giving a total establishment equivalent of 5,222 full time equivalent (FTE) students (2023/24 – 4,984). This comprised of further and higher education FTE students funded by DfE and FTE students who are separately funded through training, cost recovery or other programme arrangements.

Further Education Reclassification

In October 2010, the Office of National Statistics reclassified Further Education Colleges from Non-Profit Institutions Serving Households to Central Government, which is from private to the public sector. From 1 April 2012 it was confirmed that for Northern Ireland, the Further Education Colleges would be brought within the budgetary responsibility of the Department for Employment and Learning (now the Department for the Economy) and required to accord with the same budgeting and reporting disciplines as other Non-Departmental Public Bodies.

Payment Performance

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

During the accounting year from 1 August 2024 to 31 July 2025, South West College paid 90% (2023/24 - 93%) of its invoices within 30 days, and 52% (2023/24 – 39%) within 10 days. South West College incurred no interest charges in respect of late payment for the year. The South West College is committed to the prompt payment of suppliers of goods and services in accordance with the Confederation of British Industry's prompt payers' code and British Standard BS 7890. Unless otherwise stated in the contract, payment is due within 30 days of receipt of the goods or services, on presentation of a valid invoice or similar demand, whichever is later.

Events after the Reporting Period

Non-Teaching Pay Award – April 2025

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. The rates of salaries from 1 April 2025 were published by NJC on 24 July 2025. These rates of salaries for non-teaching staff have been accrued in staff costs for the year ended 31 July 2025. Arrears were paid to staff in November 2025.

PSNI Case Holiday Pay Accrual – August 2024

The Holiday pay accrual based on the PSNI case was agreed by College Principals in November 2025 to be paid to all eligible staff effective from 1 August 2024 (start of the College's financial year).

Going Concern

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

Future Developments

The South West College is committed to acting as a key driver of local and regional economic development and as a promoter of lifelong learning. South West College will foster partnership activity and innovation to support development, locally and regionally. South West College will seek to achieve all developments in an environment of good governance, with internal control and accountability at all levels to ensure that it operates in an effective manner.

For the period 2025/26, South West College is preparing a new College Development Plan aligned with the reporting requirements prescribed by the Department for the Economy. This sets out the detail of the current operating environment and presents key performance indicators for curriculum, employer engagement and social inclusion within the 2025/26 budget allocation.

Planned provision will remain closely aligned to the DfE Minister's priorities and the skills needs identified within the NI Skills Barometer. The college aims to have provision from Level 1 to Level 6, both on an employed and non-employed route, in all vocational areas. It will also expand its upskilling and reskilling offer particularly through online courses and will exploit opportunities offered by all age apprenticeships and public sector apprenticeships when they are introduced.

Accordingly, South West College will maintain its focus on the dual mandate of supporting innovations, sustainability, and social inclusion through provision aimed at supporting those currently excluded from the workplace by education or skills deficits; on middle and higher level skills development; and on growing the work based learning provision. It will seek to develop and introduce work based provision in an area which has traditionally not had an employed route for those who might wish to earn while they learn.

The college will continue to build non employed FE provision at Levels 2 and 3 which is distinct from that offered by schools.

Resources

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

The South West College's estate includes:	Cookstown Campus	valued at £3,758,923
	Dungannon Campus	valued at £39,947,623
	Erne Campus	valued at £52,898,684
	Omagh Campus	valued at £42,450,059
	Skills Centre Campus	valued at £18,073,548

Financial

Net assets at 31 July 2025 were £101.961M (including £42k unfunded pension liability) and the South West College has long term debt for the PFI contracts of £28.059M.

Reputation

South West College has a good reputation locally and nationally and maintaining a quality brand is essential for South West College's success at attracting students and external relationships.

PRINCIPAL RISKS AND UNCERTAINTIES

The College has embedded a robust system of internal control which includes operational and financial risk management processes designed to safeguard college assets and protect the college reputation. The risk management process ensures risk is managed to a reasonable level, rather than eliminate all risk of failure to achieve policies, aims and objectives.

During the 2024/25 year the College implemented a new cloud-based risk management software which has further strengthened internal controls. This is a more proactive approach to risk management and allows risks to be collated and monitored on an ongoing basis with controls and actions recorded against target dates. Interactive workshops were held during the year to give risk owners an overview of the system and the functionality within.

The corporate risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on South West College should the risks materialise, and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. Risk registers are prepared at departmental level, and these are escalated to directorate level and then further to corporate level dependent on risk scoring.

The corporate risk register is reviewed internally by the Governance Committee and the Audit and Risk Committee of the Governing Body.

Outlined below is a description of the principal risk factors that affected South West College during 2024/25 as detailed in the Corporate Risk Register.

	Risk Description
1	Failure to replace expired funding streams
2	Failure to provide a safe and healthy environment for staff, students and visitors
3	Failure to operate within budget
4	Failure to protect students (mental health and wellbeing/safeguarding)
5	Failure to ensure business continuity as a result of a cyber attack
6	Failure to meet targets i.e. enrolment, retention, achievement and success
7	Recruitment and retention of suitably qualified and experienced staff
8	Learners at all levels will not receive a high-quality learning experience

Table 5: Risks Identified 2024/25

Stakeholder Relationships

In line with other Colleges and with Universities, the South West College has many stakeholders. These include:

- Students
- Staff
- Department for the Economy
- Other Government departments
- Local employers
- Local councils
- Other Further Education Colleges and training organisations
- Other Government Agencies
- Community and Voluntary Sector
- Local Universities
- Awarding bodies
- Trade Unions
- Professional bodies
- Industry Representative Organisations

The South West College recognises the importance of these relationships and engages in regular communication with them through a variety of methods, in line with its communication strategy. The South West College considers good communication with its staff to be very important and regular meetings are held. South West College encourages staff and student involvement through membership of the Governing Body.

Disclosure of Information to Auditors

These accounts are subject to audit by the Comptroller and Auditor General for Northern Ireland. The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the South West 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 South West College's auditors are aware of that information.

Personal Data Related Incidents

Fourteen data breaches were identified in 2024/25. One was reported to the Information Commissioner's Office with no further action recommended, and the other thirteen were not significant enough to report as they contained minor simple data.

Charitable and Taxation Status

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

Charitable/Political Donations

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

Professional Contacts

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

Internal Auditors: RSM Northern Ireland (UK) Limited
Address: 1 Lanyon Quay, Belfast BT1 3LG

Bankers: Danske Bank
Address: 5-7 Market Street, Omagh, Co. Tyrone, BT78 1BN

Governors

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

Governor	Date of Appointment	Term End Date	Leaving Date	Status of Appointment	Committees Served
Mrs Libby Armstrong	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Audit & Risk Committee Staffing Committee
Mr Michael Barnett	10 October 2023	9 October 2027	N/A	Co-optee	<ul style="list-style-type: none"> Finance & General Purposes Committee (Chair)
Mrs Deborah Brown	29 October 2020	28 October 2024	28 October 2024	Staff Governor	<ul style="list-style-type: none"> Finance & General Purposes Committee
Mrs Maureen Brunt	29 September 2022	28 September 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee Finance & General Purposes Committee Projects Oversight Committee
Dr Frances Campbell	1 July 2022	30 June 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee Projects Oversight Committee
Mr Tom Corr	22 November 2023	21 November 2027	N/A	Staff Governor	<ul style="list-style-type: none"> Audit & Risk Committee Curriculum & Quality Assurance Committee
Mrs Maria Curran	1 August 2023	31 July 2027	19 March 2025	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee
Dr David Cutting	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee Staffing Committee
Mrs Maria Hackett	1 August 2023	31 July 2027	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee Finance & General Purposes Committee Projects Oversight Committee
Mr Diarmuid Hanna	31 October 2024	30 September 2025	N/A	Student Governor	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee
Mr Brian Ingram	1 July 2022	30 June 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Audit & Risk Committee (Chair) Projects Oversight Committee Staffing Committee
Mrs Sandra Isherwood	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee (Chair) Finance & General Purposes Committee
Ms Alana Jones Campbell	13 January 2022	12 January 2026	5 June 2025	Business, Industry & Professional Member	<ul style="list-style-type: none"> Audit & Risk Committee Staffing Committee (Chair)

Governor	Date of Appointment	Term End Date	Leaving Date	Status of Appointment	Committees Served
Ms Celine McCartan	10 October 2022	When leaves Principal and Chief Executive's post	N/A	Principal and Chief Executive	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee Finance & General Purposes Committee Projects Oversight Committee Staffing Committee
Ms Anne McCleary	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Audit & Risk Committee Staffing Committee
Mrs Gillian McDowell	1 October 2018	30 September 2026	N/A	Co-optee	<ul style="list-style-type: none"> Staffing Committee
Dr Nichola Melanaphy	21 November 2024	20 November 2025	N/A	Staff Governor	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee
Dr Nicholas O'Shiel	7 January 2019	6 January 2027	N/A	Chair	
Dr Lynsey Quinn	13 January 2022	12 January 2026	N/A	Business, Industry & Professional Member	<ul style="list-style-type: none"> Curriculum & Quality Assurance Committee Finance & General Purposes Committee

Table 6: Members who served the Governing Body 2024/25

Attendance records for Governing Body members are disclosed on page 48.

Members of the Governing Body

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

The Governing Body Chair and individual Governors are not deemed to be employees of the College and are therefore not eligible to join the NILGOSC Pension Scheme. The Pensions Regulator has confirmed that the Governing Body Chair and individual Governors are excluded from the pension auto-enrolment process as members of the Governing Body do not hold a contract of employment with the College. The College also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the College.

The remuneration of the Chairman and Board members are as follows:

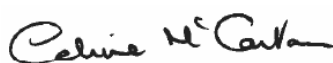
Audited Information

	2024-2025				2023-2024			
	Salary & Allowances £'000s	Benefits in Kind £'000s	Pension Benefits £'000s	Total £'000s	Salary & Allowances £'000s	Benefits in Kind £'000s	Pension Benefits £'000s	Total £'000s
Libby Armstrong	0-5	-	-	0-5	0-5	-	-	0-5
Michael Barnet	0-5	-	-	0-5	0-5	-	-	0-5
Maureen Brunt	0-5	-	-	0-5	0-5	-	-	0-5
Alana Jones-Campbell	0-5	-	-	0-5	0-5	-	-	0-5
Frances Campbell	0-5	-	-	0-5	0-5	-	-	0-5
David Cutting	0-5	-	-	0-5	0-5	-	-	0-5
Maria Curran	0-5	-	-	0-5	0-5	-	-	0-5
Jack Daly	-	-	-	-	0-5	-	-	0-5
Maria Hackett	0-5	-	-	0-5	0-5	-	-	0-5
Diarmuid Hanna	0-5	-	-	0-5	0-5	-	-	0-5
Brian Ingram	0-5	-	-	0-5	5-10	-	-	5-10
Sandra Isherwood	0-5	-	-	0-5	5-10	-	-	5-10
Seamus McCaffrey	-	-	-	-	0-5	-	-	0-5
Anne McCleary	0-5	-	-	0-5	0-5	-	-	0-5
Gillian McDowell	0-5	-	-	0-5	0-5	-	-	0-5
Michael McGuckin	-	-	-	-	0-5	-	-	0-5
Nicholas O'Shiel (Chairman)	20-25	-	-	20-25	20-25	-	-	20-25
Patrick McKeown	0-5	-	-	0-5	0-5	-	-	0-5
Lynsey Quinn	0-5	-	-	0-5	0-5	-	-	0-5

Table 7: Remuneration of Governing Body 2024/25

The Student Governor receives remuneration however the staff governors do not receive remuneration or time off in lieu.

Accounting Officer:



Date:

26.01.26

Remuneration Report for the Year Ended 31 July 2025

The Principal & Chief Executive and Senior Management Team

The Principal and Chief Executive 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 Principal and Chief Executive and Senior Management Team hold permanent appointments. Staff may be able to retire before state pension age with no diminution of earned pension benefits depending on the terms of their pension. The policy relating to notice periods is contained in South West 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 Principal and Chief Executives 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 Chief Executives 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 Chief Executives. If the College increases in size a Deputy Chief Executive will automatically move to the new relevant salary scale.

Performance Pay

There is no performance pay or related scheme for the Principal and Chief Executive or any Deputy Chief Executive.

Total Reward Package

Senior staff within Colleges have access to the Northern Ireland Teachers' Superannuation Scheme.

Senior staff posts are based on 36 hours per week, and post holders have access to South West College's Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All senior staff have 35 days holiday entitlement and a further 12 statutory and public holidays as recognised by the sector.

Service Contracts

South West 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.

Salary and Pension Entitlements (Audited)

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

	2024-2025			2023-2024		
	Salary £'000	Pension Benefits (to nearest £1,000)*	Total £'000	Salary £'000	Pension Benefits (to nearest £1,000)*	Total £'000
Celine McCartan – Principal and Chief Executive	110-115	103,000	215-220	110-115 ¹	1,000	110-115
Padraig McNamee– Director of Curriculum/Deputy Chief Executive	85-90	107,000	190-195	85-90 ¹	56,000	140-145
Sharon McGrath – Director of Corporate Services	65-70	45,000	110-115	65-70 ¹	18,000	80-85
Ciaran McManus – Director of Development and Support	75-80	29,000	105-110	70-75 (75-80 full year equivalent) ¹	(8,000)	60-65 (65-70 full Year equivalent)

Table 8: Senior Management remuneration and pension interests 2024/25

Note 1 – Prior year salary figures have been restated to reflect accruals-based reporting.

* The pension benefit figures shown are not cash payments or actual costs to the College. They are a notional value calculated under the rules of the pension scheme and are influenced by factors such as each individual's length of service and pensionable pay. The figure is calculated as: (the real increase in pension × 20) plus (the real increase in any lump sum) minus (the individual's contributions). "Real increases" exclude changes due to inflation or transfers of pension rights.

Salary

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

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. The salary and pension entitlements of the most senior staff members of South West College for the year ended 31 July 2025 are detailed above.

Bonuses

South West College does not make bonus payments.

Fair Pay Disclosure - Pay Ratios (Audited)

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid Director in South West College in the financial year 2024-25 was £110,000 to £115,000 (2023-24, £110,000 to £115,000). The relationship between the mid-point of this band and the remuneration of the College's workforce is described below:

	2024-25	2023-24 (restated)
25 th Percentile	£25,183	£23,893
Pay Ratio	4.47:1	4.71:1 ¹
Median Pay	£32,115	£32,218
Pay Ratio	3.50:1	3.49:1 ¹
75 th Percentile	£39,495	£39,495
Pay Ratio	2.85:1	2.85:1 ¹

Table 9: Relationship between band and remuneration of College workforce

Note 1 – Prior year ratios have been restated due to a correction in the Highest Paid Director's remuneration, which was previously not reported on an accruals basis.

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

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

payments. Remuneration ranged from £17,517 to £112,500 (2023-24, £23,114 to £112,500).

Fair Pay Disclosure – Percentage Change in Remuneration (Audited)

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

The percentage changes in respect of South West College are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell each year.

Percentage Change for:	2024/25 v 2023/24	2023/24 v 2022/23 (restated)
Average employee salary and allowances	-0.32%	11.48% ¹
Highest paid director's salary and allowances	0.00%	9.76% ¹

Table 10: Salary and Allowances % Change

Note 1 – Prior year ratios have been restated due to a correction in the Highest Paid Director's remuneration, which was previously not reported on an accruals basis.

There is no Performance Related Pay for the highest paid Director or any other employee
The following pay awards were applied in 2024/25:

Further Education Lecturers' Pay (Lecturer's Contract of Employment)

The rates of salaries for Lecturers in Colleges of Further Education from 1 September 2024 were published on 24 July 2025. The following changes were determined and were applied in the August 2024 pay, and were accrued in the year ended 31 July 2025:

- 5.5% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility and Re-organisation) from 1 September 2024 relating to Lecturer's Contract of Employment (i.e., Associate Lecturers, Full-Time Lecturers, Principal Lecturers', and Heads of Department) and Part-time Hourly Paid Lecturers.

The rates of salaries for Senior Staff in Colleges of Further Education from 1 September 2024 are being accrued at 5.5% until approval to pay has been granted.

Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contract of Employment)

In December 2024, in accordance with the provisions of Article 11, Schedule 3, paragraph 10.3 of the Further Education (Northern Ireland) Order 1997 and the Constitution for Negotiating the Terms, Conditions of Service and Remuneration of Non-Teaching Staff Employed in Incorporated

Colleges of Further Education, the following change was determined:

- £1,290 annual increase on each salary scale point up to point 43 from 1 April 2024. Salary points 44-55 2.5% increase.

All awards applied in 2024/25 were accrued in the relevant period.

The College has accrued expected pay awards, using the NJC pay offer notification dated 24th July 2025 as follows:

Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contracts of Employment)

- With effect from 1 April 2025, an increase of 3.2% will be paid as a consolidated, permanent addition on all NJC pay points 2 to 43 inclusive.
- With effect from 1 April 2025, an increase of 3.2% on all pay points above 43 but below Deputy Chief Officer.
- With effect from 1 April 2025, an increase of 3.2% on all allowances.

Audited Pension Entitlements

	Accrued pension at pension age as at 31/07/2025 and related lump sum £'000	Real increase/ (decrease) in pension and related lump sum at pension age £'000	CETV at 31/07/2025 £'000	CETV at 31/07/2024 £'000	Real increase in CETV £'000
Celine McCartan	65-70	5-7.5	1,089	967	95
Padraig McNamee	35-40 plus lump sum of 90-95	5-7.5 plus lump sum of 10-15	881	750	131
Sharon McGrath	25-30 plus lump sum of 20-25	0-2.5 plus lump sum of 0-2.5	487	432	42
Ciaran McManus	25-30 plus lump sum of 70-75	0-2.5 plus lump sum of 0-2.5	632	592	40

Table 11: Salary and pension entitlements of the most senior staff members 2024/25

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).

Local Government Pension Scheme (Northern Ireland)

Pension benefits may be provided through the Local Government Pension Scheme (Northern Ireland) (LGPS (NI)) which is administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

The pension scheme operates as a Career Average Scheme where a member builds up retirement pension at the rate of 1/49th pensionable pay for each year.

The LGPS (Northern Ireland) changed from a Final Salary Scheme to a Career Average Scheme on 1 April 2015. Members who joined the Scheme before 1 April 2015 have built up benefits in the final salary scheme. For members between 1 April 2009 and 31 March 2015, pension benefits were built up at the rate of 1/60th pensionable pay for each year of membership. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80th (pension) and 3/80ths (tax free lump sum) of pensionable pay for each year of membership up to 31 March 2009. There is no automatic lump sum provided in respect of membership after 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits.

Under the initial scheme reform on 1 April 2025, existing scheme members who were closer to retirement were protected from the changes of LGPS (NI) moving from a final salary scheme to a career average scheme. Subsequently, the **McCloud Judgement** ruled that this protection was discriminatory on the basis of age. The LGPS (NI) has enacted regulations to remedy this discrimination (the '**McCloud Remedy**').

The McCloud Remedy gives backdated protections for eligible members who were impacted by the discrimination. This means that when a member takes their pension, NILGOSC will compare the pension built up from 1 April 2015 to 31 March 2022 in the career average scheme with the pension that could have been built up had the final salary scheme continued – if the final salary pension would have been higher, the difference will be added to the member's pension. This addition is called the 'statutory underpin' and applies during the remedy period (1 April 2015 to 31 March 2022).

This removes the discrimination in providing equal pension provision for all scheme members.

Since October 2023, NILGOSC has been implementing this remedy. Members with pension benefits in payment (pre 1 October 2023) have been rectified, and eligible members reaching retirement who have an underpin addition to their pension receive this in their benefits. For a small remaining minority of members, NILGOSC is awaiting final guidance in order to calculate a McCloud underpin. These rectifications will take place in due course, with arrears payable as required.

Further information on the NILGOSC remedy can be found at [The McCloud Remedy - NILGOSC](#).

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

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

Northern Ireland Teachers' Pension Scheme

Pension benefits may be provided through the Northern Ireland Teacher's Pension Scheme which is administered by the Teachers' Pension Team within the Department of Education. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at www.education-ni.gov.uk.

The pension scheme, from 1 April 2015, operates as a Career Average Revalued Earnings (CARE) and all new entrants joining the scheme on or after 1 April 2015 have their benefits calculated using career average arrangements only. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57th.

Existing scheme members, on 1 April 2015, who satisfied certain criteria (generally members within 10 years of their normal pension age) remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements.

In 2018, the UK Court of Appeal found that transitional protections put in place in 2015, that allowed older workers to remain in their original scheme, were discriminatory on the basis of age (**McCloud Judgement**).

The NITPS has now made regulations which remedy the discrimination by:

- prospective remedy: all active members of the NITPS becoming members of the 2015 reformed scheme (career average) from 1 April 2022, irrespective of age; and
- retrospective remedy: providing each eligible member with options to have their pension entitlements for the period when the discrimination existed between 1 April 2015 and 31 March 2022 (the remedy period) retrospectively calculated under either the current (2015 reformed) scheme rules, or the legacy scheme (final salary) rules which existed before 2015.

This means that all active NITPS Pension Scheme members are in the same pension scheme, CARE, from 1 April 2022 onwards, regardless of age. This removes the discrimination going forward in providing equal pension provision for all scheme members.

The NITPS is now implementing the second part of the remedy, which addresses the discrimination which was incurred by affected members between 1 April 2015 and 31 March 2022.

Eligible members with relevant service between 1 April 2015 and 31 March 2022 (the Remedy Period) will now be entitled to a choice of alternative pension benefits in relation to that period i.e. calculated under legacy rules or alternatively calculated under CARE scheme rules. As part of this retrospective remedy most active members will now receive a choice about their remedy period benefits at the point of retirement. This is known as the Deferred Choice Underpin (DCU). For those members who already have pension benefits in payment in relation to the Remedy Period, they will receive an Immediate Choice as soon as practicable after 1 October 2023, and no later than 18 months following this date.

At this stage, allowance has not yet been made within CETVs for this remedy. Further information on the remedy can be found at [Retrospective Remedy Consultation | Department of Education \(education-ni.gov.uk\)](https://education-ni.gov.uk/retrospective-remedy-consultation).

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

Actual annual pensionable earnings From 1 April 2024	Member Contribution Rate From 1 April 2024	Actual annual pensionable earnings From 1 April 2025	Member Contribution Rate From 1 April 2025
Up to £34,289.99	7.40%	Up to £34,872.99	7.40%
£34,290 to £46,158.99	8.60%	£34,873.00 to £46,943.99	8.87%
£46,159 to £54,729.99	9.60%	£46,944.00 to £55,660.99	9.90%
£54,730 to £72,534.99	10.20%	£55,661.00 to £73,768.99	10.52%
£72,535 to £98,918.99	11.30%	£73,769.00 to £100,590.99	11.65%
£98,909 and above	11.70%	£100,591 and above	12.06%

Enhanced Pensions

There are currently no enhanced pensions payable to any former member of staff.

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 NITPS 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 2015 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

Real Increase in CETV

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period. However, the real increase calculation uses common actuarial factors at the start and end of the period so that it disregards the effect of any changes in factors and focuses only on the increase that is funded by the employer.

Staff Report for the Year Ended 31 July 2025

Staff Costs

Staff Costs are disclosed in Note 7 to the Financial Statements (page 78).

Average number of persons employed (Audited Information)

The average number of permanent full-time equivalent persons employed, including all part-time staff, during the year was as follows (excluding Governors):

Staff numbers (FTE)	2024/25 Average	2023/24 Average	2022/23 Average
Teaching	264	272	305
Support	124	123	112
Administration	169	162	182
Premises	19	20	21
Total staff (FTE)	576	577	620

The reduction in average staff numbers between 2022/23 and 2024/25, as illustrated in the table above, reflects the implementation of a voluntary exit scheme in 2024 that was introduced to reduce headcount and staff costs. Whilst some fluctuations in staffing levels have occurred due to additional externally funded project work and increased student support needs, the commitments made under the Reform to Save scheme have been met.

Attendance Management

The average number of days lost to sickness absence by all staff for the period August 2024 to July 2025 was 11.46 days or 3.94% (2023/24 12.96 days or 4.56%). This represents a favourable performance when compared to the sector average benchmark of 4.48% for 2024/25 (4.77% 2023/24). HR continues to monitor and act on absences in accordance with the policy and this is reported on a monthly basis by HR Business Partners which is subsequently discussed at Management Operations Team and Staffing Committee to ensure appropriate governance and action-planning.

Staff Composition

The table below provides a breakdown of the number of persons (headcount) employed by the College, as at 31 July, by gender for each of the following groups:

Group	31 July 2025			31 July 2024		
	Male	Female	Total	Male	Female	Total
Principal & Chief Executive and Deputy Directors	1	1	2	1	1	2
College Management Team	8	4	12	7	5	12
Employees (excluding Part-Time Lecturers)	158	323	481	183	367	550
Total	167	328	495	191	373	564

Staff Turnover

Staff turnover (excluding Part Time Lecturers) for the period 1 August 2024 to 31 July 2025 was 14.14%. (2023/24 16.13%)

Off Payroll engagement

The College had no off-payroll engagements in 2024/25.

Temporary Staff

During the year to 31 July 2025, there were no temporary agency staff employed (2023/24 Nil).

Staff Learning and Development

South West College places strong emphasis on providing learning and development opportunities for all its employees through the provision of college-wide opportunities to support personal and professional development of staff, as well as supporting bespoke training required by individuals and teams. The College calendar identifies 5 distinct CPD days in the academic year where learning and development opportunities related to college and employee needs are planned and delivered with mandatory participation by all relevant staff. Individual staff development requests for training and other development opportunities such as participation in industry conferences and events are considered monthly and supported in accordance with key priorities.

An annual focus is placed on developing staff in the area of teaching and learning with opportunities for completion of CIT and PGCE qualifications through Ulster University as well as Assessor and Internal Verifier qualifications. Part-time lecturing staff are supported in-house with pedagogic development through a series of workshops facilitated by a Teaching and Learning

Advanced Practitioner. In addition, a Curriculum Conference is provided for academic staff annually with a focus on themes related to College priorities and pedagogic trends.

The College supports staff to undertake higher education programmes of study through its Higher Education Professional Development programme which provides a financial contribution towards the completion of Degree and Masters Level programmes.

In the 24/25 academic year 16 employees were given the opportunity to undertake an Aspiring Leaders programme in support of a leadership at all levels approach to cultural development.

Staff have also had the opportunity to attend conferences supported through the staff development programme and to accompany students on international work placement opportunities, giving them the chance to develop their knowledge and understanding of their industry from an international perspective.

The College continues to promote health and well-being opportunities through the Social and Well-being Committee with breathwork, stress management and other related training provided to staff college wide in the 24/25 academic year.

All employees are required to complete annual corporate modules which provide key learning and development in important areas such as Fraud, Bribery and Corruption, Safeguarding, GDPR, Health and Safety, Digital Well-being and Mental Health to ensure good governance and well-being practices are adhered to by all employees.

Equality of Opportunity and employment of disabled persons

By virtue of Section 75 of the Northern Ireland Act 1998 the South West 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, South West 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 South West College has included the promotion of good relations as part of the corporate planning process.

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

Disability Statement

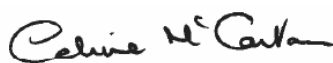
South West College, as an employer and a provider of further/ higher education, is committed to the provision of equal opportunities for all. The Disability Statement sets out South West College's commitment to both potential and existing employees and students.

The principles, which underline the commitment, are:

- A policy of equal opportunity which seeks to ensure that staff and students who have a disability have equitable access as far as reasonably possible to the full range of facilities, services and aspects of College life;
- Creating an environment where disabled people are comfortable in disclosing their disability and are provided with opportunities to disclose at various stages throughout their time at South West College;
- Providing access to the appropriate reasonable adjustments to enable disabled people to overcome any arrangements and/or physical features that make it difficult to access or participate in all aspects of College life;
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment and victimisation;
- Treating all staff and students with dignity and respect and seeking to provide a positive and safe working and learning environment;
- The responsibility to promote informed and positive attitudes to disability; and
- The recognition that fewer students with disabilities apply for academic courses at South West College. South West College therefore recognises its responsibilities to encourage an increase in the proportions of students with disabilities who apply and are admitted to South West College, which is more reflective of the proportion of people with disabilities in the community.

The South West College recognises its obligations under the Disability Discrimination Act (DDA) 1995, Special Educational Needs Disability Discrimination (Northern Ireland) Order 2005 and its statutory obligations not to discriminate against any existing employees and students and to make reasonable adjustments to seek to overcome any arrangements or physical features that make it difficult to access employment and learning.

Accounting Officer:



Date:

26.01.26

Statement of the Responsibilities of the Accounting Officer and Governing Body for the Year Ended 31 July 2025

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

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

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

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

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

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

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

of Finance.

The Accounting Officer, on behalf of the Governing Body, has taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that South West College's auditors are aware of that information. So far as the Accounting Officer is aware, there is no relevant audit information of which the auditors are unaware.

Statement of Corporate Governance and Internal Controls for the Year Ended 31 July 2025

Introduction

This Governance Statement sets out the governance structures, risk management systems and internal control procedures that operated within South West College during the financial year ended 31 July 2025 and up to the date of approval of the Annual Report & Financial Statements.

It has been prepared in accordance with guidance issued by the Department of Finance and contained within Annex 3.1 of the Managing Public Money in Northern Ireland document and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

Scope of Responsibility

As Accounting Officer of South West College, I am responsible for maintaining a sound system of risk management and internal control that supports the achievement of the South West College's aims and objectives set by the Governing Body, whilst safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me in the Managing Public Money Northern Ireland document and the Partnership Agreement between the Department of the Economy (DfE) and South West College.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that South West College's auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

South West College Governance Framework

South West College is a Non-Departmental Public Body within the budgetary responsibility of DfE and is an incorporated body established under the Further Education (Northern Ireland) Order 1997. South West College operates within a strong framework of regulation and has in place Articles of Government and an Instrument of Government, which establish the governance framework, as well as a Partnership Agreement with DfE, which sets out the financial framework within which South West College is required to operate. Further information on the key elements of the governance structure is provided below.

Compliance with the Corporate Governance Code

During 2024/25, South West College complied with the principles and supporting provisions set out in the Corporate Governance Code.

Governing Body

The Governing Body is established in accordance with the Further Education (Northern Ireland) Order 1997 which provides the statutory basis for further education in Northern Ireland.

The Governing Body is subject to an Instrument and Articles of Government, a Partnership Agreement and other regulatory requirements. The purpose of corporate governance in further education is to ensure that the systems by which colleges are directed and controlled are operating effectively.

During 2024/25 South West College's Governing Body comprised a Chair appointed by DfE, members appointed by DfE under the public appointments process, members co-opted by the Governing Body, members elected by staff and students of South West College and the College's Principal and Chief Executive. Eligible governors receive remuneration for their attendance at meetings and other eligible events associated with their role as governors in line with DfE guidance on the remuneration of Governing Body members and chairs.

The role of the Chair of the Governing Body is separate and distinct from the role of the Principal and Chief Executive who is South West College's designated Accounting Officer. The Governing Body is responsible for the ongoing strategic direction of the College whilst the Principal and Chief Executive and the Management Team are responsible for its operational management. The Governing Body provides and exercises both a support and challenge function in respect of the Principal and Chief Executive and Management Team. The Governing Body approves all major developments and receives regular reports on the College's activities.

Governing Body members bring independence, objectivity, impartiality and expertise to both the decision making and challenge processes within South West College. With the addition of a co-opted member to the Audit & Risk Committee, there is an appropriate balance of skills, experience and knowledge to enable the Governing Body to discharge its duties effectively.

Information presented to the Governing Body, and its sub-committees, is drafted by the appropriate department and proceeds through the necessary internal clearance procedures before being presented to the Board as formal agendas, papers, and reports. This ensures that a high quality of reliable and up-to-date information is presented for consideration, and the Governing Body is satisfied with the quality and reliability of the information presented during 2024/25.

Governing Body Performance and Effectiveness

External Review of the Effectiveness of the Governing Body

The Department for the Economy commissioned externally facilitated Governing Body effectiveness reviews across Northern Ireland's six Further Education colleges in 2024/25. Innovation and Consultancy Services (ICS) undertook this review of the Governing Body of South

West College between January and June 2025. The review assessed governance performance against best practice standards set by the UK Government, the Financial Reporting Council and the Northern Ireland Audit Office.

Following its review of the effectiveness of the Governing Body of South West College, ICS concluded that the Governing Body is operating effectively and demonstrates strong alignment with good governance principles. The review observed a strong commitment from members, robust governance practices and a clear strategic focus throughout.

The report of the review noted that the Governing Body demonstrates high levels of preparation, engagement, and accountability; that meetings are well-structured, efficiently chaired, and inclusive, with all members actively contributing; and that the use of reflective practices, such as reviewing meeting effectiveness, further reinforces the Governing Body's commitment to continuous improvement.

The Review Team commended the Governing Body for its effective governance and the positive culture that underpins its work in supporting the strategic direction and success of the College and listed a number of identified strengths.

No significant weaknesses were identified; instead, the review offered recommendations to build on existing effectiveness as well as observations for the Governing Body to discuss. It noted that these are not corrective actions, but rather suggestions to build on existing strengths and ensure that the Governing Body continues to operate at a high standard.

Annual Performance Assessment

The Governing Body completed DfE's assessment exercise (as per FE Circular FE 06/12) which incorporates three stands: members' assessment, Chair's assessment, and Governing Body self-assessment.

The strand which focuses on the Governing Body is administered by DfE through completion of a questionnaire which covers five themes: Personal Performance, Governing Body Performance, Governing Body Procedures and Composition, Governing Body Committees, and Training and Induction.

The results, issued by DfE provide the Governing Body with an opportunity to reflect on how it operates, as well as providing a benchmark against levels of performance in the NI FE sector.

An analysis of the results of the 2024/25 Governing Body self-assessment exercise shows that for four themes the views expressed were more positive than in 2023/24, with a marginal 0.4% dip in one theme, and that perception was above the sectoral average for all five themes. See summary below:

Theme	SWC respondents 2024/25 agreeing/strongly agreeing	SWC respondents 2023/24 agreeing/strongly agreeing	Sector 2024/25
Personal Performance	100.0%	98.3%	98.3%
GB Performance	98.8%	99.2%	96.6%
GB Procedures & Composition	100.0%	99.1%	97.2%
GB Committees	100.0%	98.8%	98.0%
Training & Induction	100.0%	98.4%	96.0%

Meetings

The Governing Body met seven times during the 2024/25 year.

Formal agendas, papers and reports are made available to governors in a timely manner to facilitate appropriate review and scrutiny. Minutes of meetings are approved by the Governing Body and are then published on the College's website and made available from the Secretary to the Governing Body.

Attendance

A schedule of governor attendance at Governing Body and standing committees for the 2024/25 year is provided in the table below. The average attendance at Governing Body meetings was 83.1% whilst the average attendance at Governing Body and committee meetings during the year was 81.7%.

Table 12 Governor Attendance at Governing Body and Standing Committee Meetings 2024/25

	No. of meetings attended/eligible to attend:						
	Governing Body	Audit & Risk Committee	Curriculum & Quality Assurance Committee	Finance & General Purposes Committee	Project Oversight Committee	Staffing Committee	% Attendance
Libby Armstrong	5/7	2/5				2/4	56
Michael Barnett	7/7			5/5			100
Deborah Brown	1/1			0/2			33
Maureen Brunt	6/7		4/4	5/5	1/1		94
Alana Jones Campbell	6/6	4/5				3/4	87
Frances Campbell	7/7		4/4		1/1		100
Tom Corr	5/6	5/5	3/4				87
Maria Curran	4/5		2/2				86
David Cutting	5/7		3/4			4/4	80
Maria Hackett	7/7		4/4	4/5	1/1		94
Diarmuid Hanna	3/6		1/3				44
Brian Ingram	7/7	5/5			1/1	3/4	94
Sandra Isherwood	4/7		4/4	3/4			73
Nichola Melanaphy	3/4		3/3				86
Celine McCartan	6/6	3/5	3/4	5/5	1/1	4/4	88
Anne McCleary	3/7	4/5				3/4	63
Gillian McDowell	6/7					2/4	73
Nicholas O'Shiel	6/7						86
Lynsey Quinn	7/7		4/4	1/4			80
	Overall Attendance						81.67

Conclusion

In conclusion, the Governing Body and Committees of South West College met regularly and conducted business effectively during 2024/25.

Committees

The Governing Body is supported by four standing committees:

- the Audit & Risk Committee;
- the Curriculum & Quality Assurance Committee;
- the Finance & General Purposes Committee; and
- the Staffing Committee.

An additional committee, the Projects Oversight Committee, was established in 2024/25 to enhance the governance framework of the College's suite of externally funded projects by providing Governing Body oversight of these projects. All committees are formally constituted with approved terms of reference and comprise members of the Governing Body.

Audit & Risk Committee

South West College's Audit & Risk Committee operates in accordance with the Department of Finance's Audit and Risk Committee Handbook (NI).

It is responsible for scrutinising the effectiveness of the College's accounting procedures, risk management arrangements and systems of internal control, and provides a channel of communication from the College's auditors, which is independent of the College's management. It promotes a climate of robust financial discipline and control and must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness.

The Audit & Risk Committee has formally agreed Terms of Reference which are reviewed on an annual basis.

Membership of the Committee comprises at least four members appointed by the Governing Body. At least one member is required to have recent and relevant experience in finance, accounting or auditing and Mr Patrick McKeown was co-opted to the Committee in the 2024/25 year to bring this experience.

Meetings are held at least four times per year and are attended by representatives of internal and external audit as well as by a DfE representative. The Committee holds independent meetings with the auditors in advance of each scheduled meeting which provides an opportunity for discussions between the parties where executive officers are not present. The Principal and Chief Executive, Director of Corporate Services and Head of Finance & Governance reported to committee meetings in 2024/25. The Committee invites other South West College personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion. Whilst executive officers and other officials attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee.

The Chair of the Audit & Risk Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met five times during the 2024/25 year, during which it reviewed reports from the external and internal auditors and associated management responses as well as South West College's Annual Report and Financial Statements to ensure compliance with legislation and accounting standards. It also reviewed corporate risk registers, assurance statements to DfE and policy developments. It received reports on Fraud, Raising a Concern, Cyber Security, Losses, Freedom of Information, Data Protection, Complaints & Compliments, Procurement and Direct Award Contracts. It also received presentations on deep dives undertaken of key risks.

The Audit & Risk Committee undertakes an annual review of its effectiveness, in line with best practice issued by the National Audit Office. The review undertaken for 2024/25 demonstrated

that the Audit & Risk Committee has been effective in ensuring that South West College had adopted appropriate risk management procedures during the 2024/25 academic year and has functioned in accordance with accounting and auditing standards as well as good governance standards. This review informs the Annual Report of the Committee to the Governing Body which is prepared in accordance with the format provided in the Audit and Risk Assurance Committee Handbook.

Curriculum & Quality Assurance Committee

The Curriculum & Quality Assurance Committee is responsible for overseeing the curricular provision of South West College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community that the College seeks to serve. It contributes to the development of strategic objectives, through the College Development Planning process, for meeting local and regional education and skills needs in accordance with DfE objectives and targets. It also contributes to the setting of curriculum governance key performance indicators with a particular emphasis on student recruitment, retention and achievement. Performance against the Annual Operating Plan and associated educational report card targets is monitored on an ongoing basis. The Committee also monitors the standard of education provision by reviewing the Whole College Self-Evaluation and Quality Improvement Plans, Education and Training Inspectorate reports and other internal monitoring and external inspection reports. Committee members offer guidance and support to encourage, promote and facilitate the development of strategic partnerships which are beneficial to the development of the College and help to identify models of best practice locally, nationally and internationally in the provision of further and higher education and training.

The Curriculum & Quality Assurance Committee has formally agreed Terms of Reference, which are reviewed on an annual basis.

Membership of the Committee comprises at least seven members of the Governing Body including the Principal and Chief Executive, the academic staff member and the student member. The Director of Curriculum reported to committee meetings in 2024/25. The Committee invites other college personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion.

The Chair of the Curriculum & Quality Assurance Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met four times during the 2024/25 academic year. During these meetings the Committee received reports on the College Development Plan, Curriculum Developments, Quality Assurance, the Student Experience, Safeguarding, Business Development Activity, Social Inclusion, Strategic Partnerships, Resourcing Considerations, Marketing and policy developments. It also maintained focus on matters identified as being strategically important to the Committee.

The Curriculum & Quality Assurance Committee undertakes an annual review of its effectiveness. The review undertaken for 2024/25 demonstrated that the Committee had been effective in discharging its responsibilities in line with its Terms of Reference and the Annual Programme of Business agreed at the beginning of the year.

Finance & General Purposes Committee

The Finance & General Purposes Committee is responsible for overseeing matters relating to South West College's finances, accounts and estates. It develops and monitors financial and estates strategy and policy to underpin the College Development Plan and advises the Governing Body on budgetary management, financial projections and reporting, treasury management, credit control and debt management, student finances and estates matters. The Committee Chair reviews the draft Annual Report and Financial Statements prior to their submission to the Audit & Risk Committee and the Governing Body.

The Finance & General Purposes Committee has formally agreed Terms of Reference, which are reviewed on an annual basis.

Membership of the Committee comprises at least five members of the Governing Body including the Principal and Chief Executive. At least two members are from the business and industry category and at least one member has recent and relevant experience in accounting and finance. The Director of Corporate Services and Head of Finance & Governance reported to committee meetings in 2024/25. The Committee invites other college personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion.

The Chair of the Finance & General Purposes Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met five times during the 2024/25 year during which it reviewed the Annual Report & Financial Statements as well as reports on Financial Management, Financial Returns to DfE, Capital Funding, Fixed Assets & Capital Expenditure, Estates Matters, Sustainability, Financial Projections, Budgetary Management Processes, Student Finance Matters, Insurances, Provisions and Liabilities, Debtors & Creditors, Externally Funded Projects, Financial and Estates Policies, Consultancy Expenditure, Payments over £50k and Banking Management Matters. It also maintained focus on matters identified as being strategically important to the Committee.

The Finance & General Purposes Committee undertakes an annual review of its effectiveness. The review undertaken for 2024/25 demonstrated that Committee had been effective in discharging its responsibilities in line with its Terms of Reference and the Annual Programme of Business agreed at the beginning of the year.

Staffing Committee

The Staffing Committee is responsible for overseeing matters relating to staffing requirements and the recruitment, appointment, promotion and grading of all staff, other than senior staff as defined within the Articles of Government. It develops and monitors human resources, workforce development, equality and health, safety & wellbeing policy and strategy which underpins the College's strategic objectives for people and organisation development.

The Staffing Committee has formally agreed Terms of Reference, which are reviewed on an annual basis.

Membership of the Committee comprises at least five members of the Governing Body including the Principal and Chief Executive. The Director of Corporate Services and Head of People & Culture reported to committee meetings in 2024/25. The Committee invites other South West College personnel or third parties to attend meetings where their knowledge or experience could contribute to the business under discussion.

The Chair of the Staffing Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body and subsequently published on the College's website.

The Committee met four times during the 2024/25 academic year. During these meetings the Committee received reports on the implementation of relevant strategic action plans, Organisational Structure, Culture & Engagement, Social & Wellbeing, Health, Safety & Wellbeing, Equality, Staff Resources, Workforce Planning & Development, Absence Management, Employee Relations, Leavers, Sectoral Issues, Threshold Payment Applications, Remuneration and human resources related policies.

The Staffing Committee undertakes an annual review of its effectiveness. The review undertaken for 2024/25 demonstrated that the Committee had been effective in discharging its responsibilities in line with its Terms of Reference and the Annual Programme of Business agreed at the beginning of the year.

Project Oversight Committee

The Projects Oversight Committee was established in the 2024/25 year and is responsible for providing Governing Body oversight of South West College's suite of externally funded projects. It has formally agreed Terms of Reference which will be reviewed annually.

Membership of the Committee comprises at least three members of the Governing Body including the Principal and Chief Executive. The Director of Development & Support will report to the Projects Oversight Committee and other college personnel, or third parties may be invited to attend meetings where their knowledge or experience could contribute to the business under

discussion.

The Chair of the Projects Oversight Committee provides a verbal report of committee meetings to the Governing Body in support of the minutes, which are formally adopted by the Governing Body.

The Committee met for the first time in May 2025. During this meeting it established its Terms of Reference and received a detailed presentation of the College's PeacePlus funded projects.

Senior Management Team

A meeting framework has been established in order to ensure that key strategic and operational objectives are delivered as per the College Development Plan.

The key meetings are as follows:

Strategic Leadership Team (SLT) – purpose is to provide strategic leadership for the College on all relevant issues. Attendees are the Principal & Chief Executive and the three senior Directors. The SLT meets ten times per annum. The SLT reports to the Governing Body.

Management Operations Team (MOT) – purpose is to ensure effective operations of all College activities and services. Attendees are the Principal & Chief Executive, the three senior Directors and other relevant Heads of Department. The MOT reports to the SLT. MOT meets ten times per annum.

In addition, the following meetings are held at regular intervals during the year:

- Governance Team;
- College Health, Safety and Wellbeing;
- Campus Health, Safety and Wellbeing;
- Trade Unions;
- Development & Support Directorate;
- Corporate Services Directorate;
- Curriculum Directorate;
- Higher Education Academic Board;
- Quality Assurance

The Governing Body is satisfied with the quality and content of the curriculum, financial, staffing and risk information provided through this meetings framework to the various Governing Body sub-committees. The information provided enables the Governing Body to exercise strategic and operational oversight on South West College by means of clear lines of accountability.

Management of Interests

The Secretary to the Governing Body compiles a register of financial and personal interests of Governing Body members annually. This is presented to the Governing Body at its first meeting of the academic year, and members are invited to declare any subsequent amendments to be made to this register. In accordance with good governance, the declaration of any conflicts of interest is included as an agenda item at each and every Governing Body and committee meeting and members are requested to declare any actual, potential, or perceived conflict of interest and withdraw from the meeting during consideration of the subject matter in which the interest has been declared.

The Register of Governors' Interests is available for inspection from the Secretary to the Governing Body and is presented on pages 97-103 of this report.

Risk Management and Internal Control

The system of internal control within the South West College 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 South West College's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

South West College is committed to a risk management strategy which is aimed at assisting our objectives, whilst protecting the interests of stakeholders. We have well established risk management, control and governance arrangements. South West College's Risk Management Policy & Strategy sets out the South West College's framework for risk control and risk appetite. South West College recognises that risks also have the potential to impede the achievement of strategic and operational objectives. South West College employs risk management strategies which aim to prioritise risks and decision-making processes to minimise the adverse effects of risks. South West College recognises that risk management is not about eliminating risk, but rather involves thought out strategy formulation, proactive controls/measures and business continuity planning to minimise the impact of any risk.

As part of our risk management process, risk registers have been developed for key areas within South West College. A Governance Team has been established, and the purpose of this Committee is to ensure that governance arrangements operate effectively in all areas of the College. The Governance Team met four times in 2024/25 and is attended by senior managers and key personnel. Risk Management is monitored regularly, and high level risks reported at the Committee meeting, and also to the Audit and Risk Committee of the Governing Body. The main overall corporate risks formulate the basis of the quarterly risk register review report which is

discussed and updated at the Governance Committee meetings and provided to the Audit and Risk Committee. The effectiveness of the system of internal controls in place is reviewed at least annually.

The Corporate Risk Register is not a static document and risks are added, reviewed and assessed regularly throughout the year. In May 2025, following a review by risk owners, the Corporate Risk register was presented to the Audit and Risk Committee, with eight main risks (5 red, 3 amber).

The main red risks which faced the College in May 2025 and throughout the 2024/25 academic year were:

1. Failure to operate within budget mainly due to ongoing stringent public sector budgets and concerns over the continued operational uncertainty relating to future year budgets.
2. Failure to prevent a cyber-attack. Although the College have mitigating measures in place to prevent successful cyber-attacks, this risk remains high to FE Colleges as attacks are becoming increasingly sophisticated with the use of emerging artificial intelligence technologies.

Of the two risks identified above as red risks, only the budget risk remains red, although slightly reduced, despite mitigations in place. The remaining red risks as of May 2025 were all managed to amber or yellow status.

The security of personal data is of utmost importance to South West College. Acceptable use is part of all staff induction. Staff also undertake training in the form of a mandatory online module on GDPR. Although there were fourteen data breaches during 2024/25, only one was serious enough to be reported to the Information Commissioner's Office and no further action was recommended. An IT Disaster Recovery Policy and Plan is in place, as are technical safeguards and procedures to protect the security of information and cyber risks.

The South West College has developed a Governance and Risk Framework which details key elements in terms of structures, policies, processes and reporting that contributes to effective governance and risk management in South West College.

In the coming year, the College plans to:

- regularly review and update the record of risks facing the organisation;
- maintain the system of key performance and risk indicators;
- maintain the organisation-wide risk register; and
- ensure regular reports from the risk owners on risk management.

The South West College has an internal audit service, the work of which concentrates on activities determined by an analysis of the areas of highest 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 & Risk Committee on a regular basis and have direct access to the Governing Body and to the Chair of the Audit & Risk Committee. The Internal Auditors have issued an Assurance Statement which provides opinion on the adequacy and effectiveness of the internal

control system and the extent to which it can be relied upon.

During the 2024/25 year, Internal Audit carried out the following audits in South West College. The assurance rating by area reviewed is set out below:

Key Process	Assurance Rating
HR Recruitment & Selection	Satisfactory
Budgetary Management & Financial Control	Satisfactory
Student Experience & Engagement	Satisfactory
GDPR	Advisory

Table 13 South West College Audits 2024/25

In their Annual Assurance Statement, the Internal Auditors have provided an overall 'Satisfactory' level of assurance over the control environment of South West College.

The Internal Auditors raised one 'medium' and nine 'low' priority issues across the four assurance reviews.

In the follow up review of actions to address the previous years' internal audit findings Internal Auditors selected six management actions and concluded that all six actions had been fully implemented.

The factors which are considered when influencing the audit opinion are:

- Inherent risk in the area being audited;
- Limitations in the individual audit assignments;
- The adequacy and effectiveness of the risk management and/or governance control framework;
- The impact of weakness identified;
- The level of risk exposure; and
- The response to management actions raised and timeliness of actions taken.

Fraud Reporting

South West College has a detailed Anti-Fraud and Corruption Policy and Fraud Response Plan which are revised and updated on a regular basis. The Anti-Fraud and Corruption Policy and Fraud Response Plan sets out the definition of fraud, details the responsibilities regarding the prevention of fraud and highlights the procedures to be followed in the event of a fraud being detected or suspected. In addition, all staff are required to complete an online module on Fraud, Bribery and Corruption. A Fraud Risk Assessment has been carried out, reviewed regularly and shared with the Department for the Economy and the Audit and Risk Committee. No cases of fraud were reported in the 2024/25 academic year.

Pay Remit

South West College is required to comply each year with Department of Finance (DoF) guidance on the approval of pay remits.

Internal Control


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

The Annual Opinion and Report, provided by the Internal Audit function, is a key element of the framework of assurance that the Accounting Officer needs to inform this Governance Statement. The Internal Audit Function operates in accordance with HM Treasury's Public Sector Internal Audit Standards.

The Audit & Risk Committee set an audit strategy and work plan for the financial year 2024/25 which was carried out by RSM Northern Ireland (UK) Limited, who provide the internal audit function for the sector. For the period 2024/25, RSM has reported an overall "satisfactory" audit opinion on South West College's system of governance, risk management and internal control.

Assurance Summary

South West College aims to adhere to the highest standards of governance when conducting its business, to ensure that the organisation is run effectively and that decisions are taken in the best interest of its stakeholders.

Accounting Officer:	 _____
Date:	26.01.26 _____

Assembly Accountability Disclosure for the Year Ended 31 July 2025

Introduction

The Assembly Accountability Report brings together the key Assembly accountability documents within the annual report and accounts.

Losses (subject to audit)

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

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

Losses are disclosed in Note 25.

Special Payments (subject to audit)

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

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

Special payments are disclosed in Note 25.

Remote Contingent Liabilities (subject to audit)

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

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

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

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

Opinion on financial statements

I certify that I have audited the financial statements of South West College for the year ended 31 July 2025 under the Further Education (Northern Ireland) Order 1997 as amended by the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income and Expenditure, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

In my opinion the financial statements:

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

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate.

My staff and I are independent of South West College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

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

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on South West College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

The going concern basis of accounting for South West College is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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

Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

Other Information

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

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

Matters on which I report by exception

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

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

Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

Responsibilities of the Accounting Officer and Governing Body

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to South West College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Further Education (Northern Ireland) Order 1997 as amended by the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008;
- making enquires of management and those charged with governance on South West College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of South West College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;

Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

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

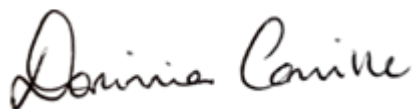
A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

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

Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly (Cont'd)

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink, reading "Dorinnia Carville". The signature is written in a cursive, flowing style.

Dorinnia Carville

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

BELFAST

BT7 1EU

02 February 2026

South West College

Statement of Comprehensive Income and Expenditure for the Year Ended 31 July 2025

	Note	2025 £'000	2024 £'000
Income			
Department for the Economy Income	1	42,442	39,589
Education Contracts	2	5,743	5,279
Tuition Fees and Charges	3	2,114	1,984
Other Grant Income	4	1,871	1,332
Other Operating Income	5	841	796
Investment Income	6	148	187
Total Income		53,159	49,167
Expenditure			
Staff costs	7	30,843	28,591
Other operating expenses	9	16,221	13,925
Interest and other finance costs	10	2,376	2,682
Depreciation	12 & 13	6,049	6,159
Total expenditure before exceptional items		55,489	51,357
Deficit on continuing operations after depreciation of assets at valuation and before tax and before exceptional items		(2,330)	(2,190)
Exceptional items			
Exceptional costs - staff	7	(27)	(2,506)
Exceptional gain – non staff	9	574	604
Exceptional gain – profits on sale of asset	12	5	7
Deficit before tax		(1,778)	(4,085)
Taxation		-	-
Deficit on continuing operations after depreciation of assets at valuation and tax		(1,778)	(4,085)
Unrealised surplus on revaluation of land and buildings		6,935	3,966
Actuarial loss in respect of pension scheme	20	(201)	(109)
Total comprehensive income/(expense) for the year		4,956	(228)
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income/(expense) for the year		4,956	(228)
		4,956	(228)

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

South West College

Statement of Changes in Reserves for the Year Ended 31 July 2025

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

	Income and Expenditure Account		Revaluation Reserve	Total Reserves
	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000
Balance at 1 August 2023 (restated)	-	5,281	91,952	97,233
Deficit from income and expenditure statement	-	(4,085)	-	(4,085)
Other comprehensive income	-	(109)	3,966	3,857
Transfers between revaluation and income and expenditure account	-	2,252	(2,252)	-
Total comprehensive (expense)/income for the year	-	(1,942)	1,714	(228)
Balance at 31 July 2024	-	3,339	93,666	97,005
Balance at 1 August 2024	-	3,339	93,666	97,005
Deficit from income and expenditure statement	-	(1,778)	-	(1,778)
Other comprehensive income	-	(201)	6,935	6,734
Transfers between revaluation and income and expenditure account	-	2,327	(2,327)	-
Total comprehensive (expense)/income for the year	-	348	4,608	4,956
Balance at 31 July 2025	-	3,687	98,274	101,961

South West College
Statement of Financial Position for the Year Ended 31 July 2025

	Note	2025 £'000	2024 £'000
Non Current assets			
Tangible Assets	12	163,094	161,211
Intangible Asset	13	97	174
Pension Assets	20	-	-
Total Non Current assets		163,191	161,385
Current assets			
Trade and other receivables	15	3,037	4,010
Cash at bank and in hand	19	5,424	3,349
Total current assets		8,461	7,359
Less: Creditors – amounts falling due within one year	16	(9,917)	(9,445)
Net current liabilities		(1,456)	(2,086)
Total assets less current liabilities		161,735	159,299
Less: Creditors – amounts falling due after more than one year	17	(59,406)	(61,949)
Provisions:			
Other provisions	18	(326)	(299)
Pension provision	20	(42)	(46)
Net assets including pension liability		101,961	97,005
Unrestricted Reserves			
General reserve		3,687	3,339
Revaluation reserve		98,274	93,666
Total reserves		101,961	97,005
TOTAL		101,961	97,005

The financial statements on pages 64 to 107 were approved by the Governing Body of the South West College on 26th January 2026 and were signed on its behalf by:



Nicholas O'Shiel
Chairman of Governing Body
South West College



Celine McCartan
Accounting Officer
South West College

South West College
Statement of Cashflows for the Year Ended 31 July 2025

	Note	2025 £'000	2024 £'000
Cash outflow from operating activities			
Deficit for the year		(1,778)	(4,085)
Adjustment for non-cash items			
Depreciation	12 & 13	6,049	6,159
Decrease in debtors	15	973	2,546
Increase/(Decrease) in creditors	16 & 17	915	(1,145)
Pension cost	20	(206)	(114)
Increase in other provisions	18	27	5
Investment Income	6	(148)	(187)
Capital grants released to income		(2,555)	(3,092)
Profits on asset disposal	12	(5)	(7)
Net cash inflow from operating activities		3,272	80
Cash flows from investing activities			
Capital grants received		957	1,452
Payments made to acquire fixed assets	12	(920)	(718)
Proceeds from disposal of asset	12	5	7
Investment Income	6	148	187
		190	928
Cash outflows from financing activities			
Pension finance cost/income	10	2	2
Capital element of service concession payments	14	(1,389)	(1,520)
		(1,387)	(1,518)
Increase/(decrease) in cash and cash equivalents in the year	19	2,075	(510)
Net funds at 1 August		3,349	3,859
Net funds at 31 July		5,424	3,349

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

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025

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

Statement of Accounting Policies

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

Critical accounting judgements and estimates

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). South West College is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS 102. It also requires management to exercise its judgement in the process of applying the South West College's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are:

Pension Liability

The critical judgements of the pension liability schemes are included in the accounting policy note. The key actuarial assumptions used in the valuation of the NILGOSC pension scheme, including discount rates, salary and pension increases, and mortality rates are reported in note 20.

Property, Plant and Equipment

The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, including irrecoverable VAT as advised by LPS. All other depreciation is calculated based on assumptions of asset useful economic lives and expected residual value. A change in depreciable life is treated as a change in accounting estimate.

The accounts conform to the Accounts Direction issued by the Department for the Economy (DfE).

Basis of accounting

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

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025 (Cont'd)

Going concern

The activities of the South West College, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of South West College, its cash flow, liquidity and borrowings are described in the financial statements and accompanying Notes.

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

Recognition of Income

The recurrent grant and other revenue grants received from DfE (and other government bodies) are recognised in income over the periods in which South West College recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

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 non-government grants, controls and other services rendered is included to the extent that the conditions of the funding have been met, or the extent of the completion of the contract or service concerned.

All income from short-term deposits is credited to the statement of comprehensive net income in the year in which it is earned.

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

Pension Scheme

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

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025 (Cont'd)

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 South West College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

NILGOSC is a defined benefit scheme which is externally funded and contracted out of the second state Pension Scheme. The Funds are valued every three years by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. Pension costs are assessed on the basis of the latest actuarial valuations of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the South West College benefits from the employees' services. Variations from regular cost are spread over the expected average remaining working lifetime of members of the schemes after making allowances for future withdrawals.

The difference between the fair value of the assets held in the South West 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 South West College's statement of financial position as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the South West College is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The recognition of a pension surplus per Accounting standard FRS102 (section 28) notes that a pension asset may be restricted if the College cannot benefit from reduced employer contributions in the future. Therefore, the asset ceiling for the annual financial statements for the 31st July 2025 has been set to zero in the Statement of Financial Position.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the South West College are charged to the Statement of Comprehensive Net Expenditure.

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2024 (Cont'd)

Tangible Fixed Assets

Land and buildings

Land and buildings (including those inherited from the Education and Library Board) are stated in the statement of financial position at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. There is a lack of historical information on the detail of the component parts of the revaluation reserve prior to the College's merger in 2007 and therefore it is not possible to allocate the proportionate historic revaluation reserve balances to individual buildings. The difference between depreciation charged on the historic costs 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 statement of financial position at cost. Freehold land is not depreciated. Freehold buildings and buildings under Private Finance Initiative (PFI) contract are depreciated over their expected useful economic life to the South West College. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above.

Valuations are obtained on a regular basis, with a full professional valuation being undertaken by Land and Property Services (LPS) every five years, with revaluation using indices provided by LPS in intervening years and an interim valuation being carried out after three years. Land and buildings were subject to a full valuation at 31st July 2025.

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025 (Cont'd)

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 statement of financial position 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:	five 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.

Private Finance Initiative

The South West College has two buildings subject to PFI contracts – at Circular Road, Dungannon and Mountjoy Road, Omagh.

Where it is concluded that the South West College has an asset of the property and therefore a liability to pay for it, these are recorded on the statement of financial position. The initial amount recorded for each is the fair value of the building and accompanying fixtures and fittings and is recognised as an asset in the financial statements, together with a corresponding finance lease obligation.

Subsequently, the asset is depreciated over its useful economic life and is subject to annual revaluation on the same basis as similar asset classes. The unitary payments made under the PFI contracts are allocated between the service and property elements. The elements of the unitary payment relating to services are charged to the Statement of Comprehensive Net Expenditure as incurred. The element of the unitary payment relating to property is credited against the finance lease obligation. A notional interest charge is imputed in relation to the outstanding liability on the basis that this charge is a constant percentage of the outstanding lease obligation. This notional interest is recorded against the loan and is also charged against the Statement of Comprehensive Net Expenditure for the year. Under an agreement with DfE, South West College receives an annual contribution to cover the various specified elements of the unitary payment,

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025 (Cont'd)

relating to the property costs.

The effect of this treatment is that, in the initial years, the charges in relation to depreciation, service provision and imputed interest will be significantly more than the relevant cash flows, with a small amount of the liability being discharged, with the corresponding situation arising in the later years of the 30 year contract.

Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements which transfer to South West 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.

The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Capital Grants (Non Land Grants – accruals model)

Non-recurrent grants from DFE and other government bodies received in respect of the acquisition of fixed assets are recognised in income over the expected useful life of the asset.

Capital Grants

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

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025 (Cont'd)

Capital grants (Land Grants)

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

Intangible Assets

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

Foreign Currency Translation

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

Taxation

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

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

Liquid Resources

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

Financial Instruments

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

Statement of Principal Accounting Policies and Estimations Techniques for the Year Ended 31 July 2025 (Cont'd)

Provisions

Provisions are recognised when South West 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 South West College acts as an agent in the collection and payment of Support Funds and adult learning grants (Care to Learn). Related payments of Support Funds received from DfE and subsequent disbursements to students are excluded from the Statement of Comprehensive Net Expenditure and are shown separately in Note 24.

South West College
Notes to the Financial Statement for the Year Ended 31 July 2025

1. DEPARTMENT FOR THE ECONOMY INCOME

	2025	2024
	£'000	£'000
Grant in Aid received from DfE		
Recurrent grant	32,888	27,316
Additional Support Funds	239	232
Employer Support Programme (ESP)	356	375
Students with learning difficulties and disabilities (SLDD)	278	286
Release of deferred capital grants	2,527	3,030
Traineeship Income	1,638	1,542
Skills Focus	196	265
REAP	430	421
Other	-	92
Total Grant In Aid	38,552	33,559
Non-Grant in Aid received from DfE		
Education Maintenance Allowance administration	14	12
STEP UP	1,107	1,166
Higher Level Apprenticeships	1,821	1,565
Reform to Save	-	2,268
Other	948	1,019
Total Non-Grant In Aid	3,890	6,030
Total DfE income	42,442	39,589

2. EDUCATION CONTRACTS

	2025	2024
	£'000	£'000
Entitlement framework	540	480
Training Income	5,203	4,799
Total	5,743	5,279

**Training income is currently treated as revenue due to the commercial nature of the award of contracts.*

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

3. TUITION FEES AND CHARGES

	2025 £'000	2024 £'000
Higher Education (HE) income	1,733	1,645
Further Education (FE) income	381	339
Total	2,114	1,984

Tuition fees funded by bursaries included within the above amounts are £39k (2024: £41k)

4. OTHER GRANT INCOME

	2025 £'000	2024 £'000
European funds	1,673	947
Other funds	198	385
Total	1,871	1,332

5. OTHER OPERATING INCOME

	2025 £'000	2024 £'000
Catering and residence operations	264	230
Other income generating activities	195	149
Other income	382	417
Total	841	796

6. INVESTMENT INCOME

	2025 £'000	2024 £'000
Other interest receivable	148	187
Total	148	187

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

7. STAFF COSTS

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

	2025 No.	2024 No.
Teaching	264	272
Support	124	123
Administration	169	162
Premises	19	20
Total	576	577

Staff costs for the above persons

	2025 £'000	2024 £'000
Governing Body	50	63
Teaching	17,399	16,277
Support	4,379	4,088
Administration	8,376	7,422
Premises	748	754
NILGOSC Pension Past Service Cost	73	131
Apprenticeship Levy	97	101
Non-Teaching Pension charge	(279)	(245)
	30,843	28,591
Exceptional staff costs - Holiday Pay Provision	27	5
Exceptional staff costs – Reform to Save	-	2,501
	27	2,506
Total	30,870	31,097

	2025 £'000	2024 £'000
Wages and salaries	23,068	21,282
Social security costs	2,417	2,302
Movement in Pension	(206)	(114)
Other pension costs	5,564	5,121
	30,843	28,591
Exceptional staff costs - Holiday Pay Provision	27	5
Exceptional staff costs – Redundancy Reform to Save	-	2,501
	27	2,506
Total	30,870	31,097

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Remuneration Bandings

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

	Senior post-holders		Other staff	
	2025 No.	2024 No.	2025 No.	2024 No.
£60,001 to £70,000	-	-	43	35
£70,001 to £80,000	-	1	17	14
£80,001 to £90,000	1	-	6	9
£90,001 to £100,000	1	1	1	1
£100,001 to £110,000	-	1	-	-
£110,001 to £120,000	1	-	-	-
£120,001 to £130,000	-	-	-	-
£130,001 to £140,000	1	1	-	-
£140,001 to £150,000	-	-	-	-
£150,001 to £160,000	-	-	-	-
	<u>4</u>	<u>4</u>	<u>67</u>	<u>59</u>

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

8. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of South West College and are represented by South West College Governing Body, the Principal/Chief Executive, the Director of Curriculum, the Director of Corporate Services and the Director of Development and Support.

	2025 No.	2024 No.
The number of senior post-holders including the Principal/Chief Executive was:	4	4

Please refer to the Remuneration Report for full details of Key Management Personnel.

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

	2025 £'000	2024 £'000
Salaries	368	327
Pension contributions	87	72
Total emoluments	455	399

The above emoluments include amounts payable to the Principal and Chief Executive, the Director of Curriculum, the Director of Corporate Services and the Director of Development and Support of South West College.

Principal/Chief Executive emoluments are made up as follows:

	2025 £'000	2024 £'000
Salaries	123	106
	123	106
Pension contributions	23	20
Total	146	126

The above emoluments reflect the amounts paid in total to the holder of the Principal/Chief Executive position during the year ended 31 July 2025.

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

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

9. OTHER OPERATING EXPENSES

	2025 £'000	2024 £'000
Direct Teaching	966	845
Direct Support	4,180	3,680
Administration	2,116	1,857
Premises	3,279	2,511
Unitary payments under PFI contract	5,680	5,032
	16,221	13,925
Exceptional – PFI Insurance Rebate	(574)	(604)
Total	15,647	13,321

Administration costs include £380k relating to Payments to Project Partners (2023/24 £142k)

Other operating expenses include:

	2025 £'000	2024 £'000
Auditors' remuneration:		
Financial statements audit	46	40
Internal audit		
of which £29k audit (2023/24 £19k) and £4k AI	33	24
Workshop (2023/24 £5k Risk Software)		
Hire of other assets – operating leases	88	84

The College has two 30 year PFI agreements in respect of the provision of facilities and associated services at Omagh and Dungannon campuses. The terms of these agreements provide for benchmarking of insurance costs to compare actual costs with costs provided at the outset in the financial model. The exceptional gain of £574k represents the monies owed for the period to 31 July 2025 in respect of a rebate of insurance costs in accordance with the provisions of the contract.

10. INTEREST AND OTHER FINANCE COSTS

	2025 £'000	2024 £'000
Net charge on pension scheme	2	2
On finance leases	2,374	2,680
Total	2,376	2,682

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

11. TAXATION

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

12. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £'000	PFI Assets £'000	Plant and Equipment £'000	Computers £'000	Fixtures and Fittings £'000	Motor Vehicles £'000	Total £'000
Cost or valuation							
At 1 August 2024	80,088	86,320	6,588	6,785	3,951	794	184,526
Additions	25	-	128	323	264	180	920
Disposals	-	-	-	-	-	(19) ¹	(19)
Revaluation	(1,967)	(3,922)	-	-	-	-	(5,889)
At 31 July 2025	78,146	82,398	6,716	7,108	4,215	955	179,538
Depreciation							
At 1 August 2024	3,809	4,642	5,692	5,620	2,781	771	23,315
Charge for the year	1,965	2,410	353	688	527	29	5,972
Disposals	-	-	-	-	-	(19)	(19)
Revaluation	(5,772)	(7,052)	-	-	-	-	(12,824)
Adjustment	(2) ²	-	2 ²	-	-	-	-
At 31 July 2025	-	-	6,047	6,308	3,308	781	16,444
Net book value at 31 July 2025	78,146	82,398	669	800	907	174	163,094
Net book value at 31 July 2024	76,279	81,678	896	1,165	1,170	23	161,211
Asset Financing							
Owned	78,146	-	669	800	907	174	80,696
PFI contracts	-	82,398	-	-	-	-	82,398
Net Book Value at 31 July 2025	78,146	82,398	669	800	907	174	163,094

Note ¹ - A college van was disposed of during the year and sold for £4.5k at auction.

Note ² – Rounding adjustment

Land and buildings were subject to a full asset revaluation at 31st July 2025 on a depreciated replacement cost basis. These revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

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

	2025 £'000	2024 £'000
Cost	29,349	29,349
Aggregate depreciation based on cost	(7,682)	(6,713)
Net book value based on cost	21,667	22,636

All depreciation relates to owned assets, except for £2,356,230 which relates to depreciation on PFI assets.

If PFI assets had not been revalued, they would have been included at the following amounts:

	2025 £'000	2024 £'000
Cost	43,101	43,101
Aggregate depreciation based on cost	(22,859)	(21,781)
Net book value based on cost	20,242	21,320

13. INTANGIBLE FIXED ASSETS

Cost or Valuation

At 1 August 2024

Additions

Disposals

At 31 July 2025

Amortisation

At 1 August 2024

Charge for the Year

At 31 July 2025

Net book value at 31 July 2025

Net book value as at 31 July 2024

Intangible Asset £'000	Total £'000
425	425
-	-
-	-
425	425
251	251
77	77
328	328
97	97
174	174

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

The net book value of the intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset is a Learner Management System that is operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department for the Economy. The asset commenced its useful life from 1st May 2021.

14. SERVICE CONCESSION ARRANGEMENTS

South West College has two 30 year PFI agreements in respect of the provision of facilities and associated services at Omagh (contract expires 2036) and Dungannon campuses (contract expires 2037). South West College receives monthly unitary payment invoices for each contract from the PFI provider, and these are allocated across capital repayment, interest and service charges in line with the PFI lifetime models (excluding inflation).

Movement in service concession arrangement assets

The asset value of the service concession included in the statement of financial position as at 31 July 2025 is £82.39M (2024: £81.68M). The increase of £0.71M is due to a valuation increase of £3.13M and depreciation of £2.41M.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the statement of financial position as at 31 July 2025 were £28.059M (2024: £29.448M). The sum of £1.389M was repaid during the year.

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Future Commitments

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

	Payable in 1 year	Payable 2-5 years	Payable 6-10 years	Payable 11-15 years	Total
	£'000	£'000	£'000	£'000	£'000
Liability repayments	1,465	8,832	14,744	3,018	28,059
Finance charge	2,207	8,051	3,502	(121)	13,639
Service charge	5,927	22,333	34,924	6,542	69,726
	9,599	39,216	53,170	9,439	111,424

This estimation is subject to change, which will affect the amount of future cashflows.

15. TRADE AND OTHER RECEIVABLES

	2025	2024
	£'000	£'000
Amounts falling due within one year:		
Trade receivables	260	275
Prepayments and accrued income	2,299	2,221
Other receivables - DfE	478	1,514
Total debtors	3,037	4,010

16. CREDITORS: AMOUNTS FALLING DUE IN WITHIN ONE YEAR

	2025	2024
	£'000	£'000
Obligations under finance leases in respect of PFI contracts	1,465	1,389
Trade Creditors	77	-
Payments received in advance	35	22
Taxation and social security	635	1,131
Deferred Capital Grants	2,335	2,854
Amounts owed to the Department	-	50
Deferred Income	668	-
Other creditors and accruals	4,702	3,999
Total creditors less than one year	9,917	9,445

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025 £'000	2024 £'000
Obligations under finance leases in respect of PFI contracts	26,594	28,059
Deferred capital grants	32,812	33,890
Total	59,406	61,949

Finance lease obligations are secured on the assets to which they relate.

18. PROVISIONS FOR LIABILITIES AND CHARGES

	Other £'000	Insurance £'000	Total £'000
At 1 August 2024	299	-	299
Movement in Provision	27	-	27
Released to the income and expenditure account	-	-	-
At 31 July 2025	326	-	326

The provision of £326k relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI appealed the CoA judgment to the Supreme Court. In 2021, the case was paused to facilitate mediation, however, in March 2022 the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The Supreme Court heard the case on 14th and 15th December 2022. The Supreme Court made its ruling on 5 October 2023 where it dismissed the appeal and upheld the judgement of the Court of Appeal.

The £326k provision has been estimated by South West College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20). The provision has been updated to reflect the increase in the Employers' National Insurance contributions from 13.8% to 15%, and the change in holiday pay percentage from 7.70% to 8.33%.

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

1. Lack of accessible data for years previous to 2008/09, requiring estimations to be applied;
2. Future negotiations with Trade Unions;

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

3. Obtaining legal advice on specific application of the ruling for the Northern Ireland Further Education sector;
4. The provision is gross (inclusive of Employee National Insurance and PAYE) and also includes an uplift for Employer National Insurance Contributions (NI) and Employer Superannuation Contributions;
5. Taxation issues are under discussion with HMRC, by the wider Northern Ireland public sector;
6. The outworking of The Supreme Court judgement and the application of The Court of Appeal's original judgement

Therefore, the estimated provision outlined above is based on the application of Department of Finance methodology, however, there remains significant uncertainty over the amount and timing of future payments.

19. CASH AND CASH EQUIVALENTS

	At 1 August 2024 £'000	Cash Flows £'000	At 31 July 2025 £'000
Cash and Cash equivalents	3,349	2,075	5,424
	3,349	2,075	5,424

20. PENSIONS AND SIMILAR OBLIGATIONS

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

Total pension cost for the year	2025 £'000	2024 £'000
NITPS: contributions paid	3,681	3,481
NILGOSC: contributions paid	1,677	1,526
NILGOSC: FRS 102 charge	(206)	(114)
NILGOSC: charge to the Statement of Comprehensive Net Expenditure (staff costs)	1,471	1,412
Enhanced pension charge to the Statement of Comprehensive Net Expenditure (staff costs)	-	-
Total pension cost for the year	5,152	4,893

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

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

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 on the Department of Education's website at www.education-ni.gov.uk.

The Government Actuary's Department (GAD) is responsible for carrying out scheme valuations and values the scheme every four years with an interim valuation in the intervening two year period using the projected accrued benefit method.

The employer contribution rates payable in the year ended 31st July 2025 were:

Period	Contribution Rate
1 August 2023 to 31 March 2024	25.1%
From 1 April 2024	29.1%

The bands applicable to member contribution payable in the year ended 31st July 2025 were:

Rates 01 April 2024 – 31 March 2025

Up to £34,289.99	7.4%
£34,290 to £46,158.99	8.6%
£46,159 to £54,729.99	9.6%
£54,730 to £72,534.99	10.2%
£72,535 to £98,908.99	11.3%
£98,909 and above	11.7%

Rates 01 April 2025 – 31 March 2026

Up to £34,872.99	7.4%
£34,873 to £46,943.99	8.87%
£46,944 to £55,660.99	9.9%
£55,661 to £73,768.99	10.52%
£73,769 to £100,590.99	11.65%
£100,591 and above	12.06%

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

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

It is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings scheme. Details of the benefits over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' (as amended) and 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014' (as amended).

The unfunded pension arrangements relate to termination benefits made on a discretionary basis upon early retirement in respect of members of the Local Government Pension Scheme under the 'Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations (Northern Ireland) 2003'.

The funding nature of the scheme requires the College and employees (not opted out) to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets. Information on the framework for calculating contributions to be paid is set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' and the Fund's Funding Strategy Statement.

The last actuarial valuation was at 31 March 2022, with the contribution rate from 1 April 2023 to 31 March 2026 resulting from this valuation (19%). The Committee, Northern Ireland Local Government Officers' Superannuation Committee, is responsible for the governance of the Fund.

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

The employees' contribution rates are as follows for the year ended 31st July 2025:

Rates 01 April 2024 – 31 March 2025

£0 to £18,000	5.5%
£18,001 to £27,700	5.8%
£27,701 to £46,300	6.5%
£46,301 to £56,300	6.8%
£56,301 to £111,700	8.5%
Above £111,700	10.5%

Rates 01 April 2025 – 31 March 2026

£0 to £18,300	5.5%
£18,301 to £28,100	5.8%
£28,101 to £47,000	6.5%
£47,001 to £57,200	6.8%
£57,201 to £113,500	8.5%
Above £113,500	10.5%

The following information is based upon a full actuarial valuation of the fund at 31 March 2022.

Principal actuarial assumptions

Principal actuarial assumptions at the statement of financial position date are as follows:

	At 31 July 2025 % pa	At 31 July 2024 % pa
Rate of increase in salaries	4.25	4.30
Rate of increase for pensions in payment/inflation	2.75	2.80
Discount rate for liabilities	5.75	5.00
Future Increase in Retail Price Index	3.05	3.10
Pension increases in deferment	2.75	2.80
Pension increases in payment	2.75	2.80

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (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:

	At 31 July 2025	At 31 July 2024
Retiring today:		
Males	21.1 years	21.0 years
Females	23.9 years	23.9 years
Retiring in 20 years:		
Active/Deferred Males	21.6/21.9 years	21.6/21.9 years
Active/Deferred Females	24.6/24.9 years	24.7/25.0 years

The actuarial assumptions include:

Virgin Media vs NTL Pension Trustees II Limited

In June 2023, the High Court judged that amendments made to the Virgin Media scheme were invalid because the necessary S37 certification associated to these historic amendments was not prepared. The case was subsequently reviewed by the Court of Appeal in July 2024 which upheld the High Court's decision.

In June 2025 the Department for Work and Pensions ("DWP") confirmed that the Government will introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. Further detail on the approach and process for this retrospective confirmation is expected to follow in due course. However, the risk of any adjustments to the DBO is now significantly lower than the risk prior to the announcement.

Guaranteed Minimum Pension ("GMP") Indexation

In order to ensure smooth transition to the single tier State pension and equalisation of GMP benefits between males and females, the Government introduced an interim solution in March 2016 in respect of people who are in public service pension schemes and who have a State Pension Age ("SPA") between 6 April 2016 and 5 December 2018, whereby full inflationary increases will be provided by the Fund. In January 2018, this interim solution was extended to members who reach SPA between 6 December 2018 and 5 April 2021.

An announcement on 23 March 2021 further confirmed that public sector schemes will need to provide full indexation to members with a GMP state pension age beyond 5 April 2021.

The 2022 Valuation included an allowance for the additional liability potentially arising as a result of GMP indexation for all members reaching State Pension Age after 5 April 2021. The 2022 Valuation was used as the starting point for the roll forward calculation of the accounting Defined Benefit Obligation (DBO) at 31 July 2025 and therefore the DBO calculated at 31 July 2025 implicitly includes an allowance for GMP indexation. The 31 July 2025 accounting valuation does not include any further allowance for GMP indexation.

McCloud Ruling

Two employment tribunal cases were brought against the Government in relation to possible discrimination in the implementation of transitional protection following changes made to public service pension scheme legislation in 2014 and 2015. The claimants challenged the transition protection arrangements on the grounds of direct age discrimination, equal pay and indirect gender and race discrimination. In December 2018, the Court of Appeal ruled that the transitional protections gave rise to unlawful discrimination on the basis of age. The Government requested leave to appeal this decision to the Supreme Court; however the request was denied on 27 June 2019.

As a result, certain scheme members had to be compensated for any discrimination suffered as a result of the transitional protections. The changes to legislation were implemented in 2015 for the NILGOSC Fund and therefore this only impacts benefits accrued from 1 April 2015 for those members who were active at that date.

In previous years, we advised that no increase to the service cost was required to allow for the impact of the McCloud ruling on materiality grounds. Following the completion of the 2016 cost management process and the end of the McCloud remedy period on 31 March 2022, an uplift to the service cost is no longer required.

The 2022 funding valuation included an allowance for the past service additional liability potentially arising as a result of McCloud underpin. The 2022 funding valuation was used as the starting point for the roll-forward calculation at 31 July 2025 and therefore the DBO calculated at 31 July 2025 implicitly includes an allowance for the McCloud underpin for past service.

Goodwin Ruling

A legal challenge has been made against the Government in respect of unequitable benefits for male dependants of female members (based on service after 1988) following the earlier Walker ruling. The Walker ruling made it necessary for public service pension schemes to provide survivors of registered civil partnerships or same-sex marriages with benefits that replicate those provided to widows. However, widows' pensions were generally introduced in public service schemes in the 1970s whereas a male widower of a female member historically only received benefits based on service from 6 April 1988.

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

An Employment Tribunal on 30 June 2020 has upheld the claim, and as a result the valuation has allowed for an additional liability in respect of the Goodwin ruling. An additional liability, equating to 0.1% of the DBO was included in the past service cost recognised in the year ended 31 July 2022 with the additional liability being recognised as a past service cost in year ended 31 July 2022. No further allowance has been made in the DBO as at 31 July 2025.

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

	Value at 31 July 2025 £'000	Value at 31 July 2024 £'000
Equities	19,403	16,940
Bonds	10,926	8,838
Property	4,694	3,874
Multi Asset Credit	6,238	5,499
Cash/Other	5,544	7,269
Total market value of assets	46,805	42,420
Present value of scheme liabilities	(34,735)	(36,844)
Surplus in the scheme	12,070	5,576

The amounts recognised in the statement of financial position are as follows:

	At 31 July 2025 £'000	At 31 July 2024 £'000
Funded Benefits		
Scheme Assets	46,805	42,420
Scheme Liabilities	(34,693)	(36,798)
Present value of funded defined benefit obligation	12,112	5,622
Irrecoverable Surplus	(12,112)	(5,622)
Funded Scheme – Net asset / (Liability)	-	-
Unfunded Benefits		
Present value of unfunded deficit	(42)	(46)
Net Liability	(42)	(46)

Amounts recognised in the Statement of Comprehensive Net Expenditure in respect of the plans are as follows:

	2025 £'000	2024 £'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	1,594	1,504
Interest cost	2	2
Total operating charge	1,596	1,506

Analysis of pension finance costs:

	2025 £'000	2024 £'000
Expected return on pension scheme assets	2,165	1,925
Interest on pension liabilities	(1,881)	(1,749)
Pension finance (costs)	284	176
Interest adjustment due to irrecoverable surplus	(286)	(178)
Pension finance (costs) post adjustment	(2)	(2)
Actual return on plan assets	2,629	3,901

Analysis of Other Comprehensive Income for pensions

	2025 £'000	2024 £'000
Actuarial gains/(losses) on pension scheme assets	464	1,976
Actuarial (gains)/losses on scheme liabilities	(665)	(2,085)
Total Other Comprehensive Expenses/(Losses)	(201)	(109)

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Asset and liability reconciliation:	2025 £'000	2024 £'000
Reconciliation of liabilities		
Liabilities at start of year	36,844	33,572
Service cost	1,521	1,373
Interest cost	1,881	1,749
Employee contributions	536	488
Actuarial loss/(gain)	(5,540)	75
Benefits paid	(580)	(544)
Past Service cost	73	131
Liabilities at end of year	34,735	36,844
Reconciliation of assets		
Assets at start of year	42,420	36,957
Expected return on assets	2,165	1,925
Actuarial (loss)/gain	464	1,976
Employer contributions	1,800	1,618
Employee contributions	536	488
Benefits paid	(580)	(544)
Assets at end of year	46,805	42,420

The estimated value of employer contributions for the year ended 31st July 2026 is £1.712M.

History of actuarial gains/(losses) recognised in OCI

	2025 £'000	2024 £'000	2023 Restated £'000	2022 £'000	2021 £'000
Total Actuarial gains/(losses) recognised in OCI	(201)	(109)	7,950	16,407	5,682
Present value of liabilities	34,735	36,844	33,572	43,551	57,484

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

21. COMMITMENTS UNDER PFI CONTRACT

The project is the development of new Further Education facilities at Dungannon and at Omagh. The Omagh development was completed in January 2006, and the operational phase of the scheme is for 30 years to October 2035. The Dungannon project was a three stage development. The contract started in November 2004 and was completed in September 2006. The operational phase of this scheme is also for 30 years and ends in October 2034.

The substance of the contract is that South West College has a finance lease, and payments comprise four elements: imputed finance lease charges, service charges, overheads and lifecycle charges.

	2025 £'000	2024 £'000
Rentals due within one year	9,599	9,479
Rentals due within two to five years	39,216	38,884
Rentals due later than five years	62,609	72,984
	<u>111,424</u>	<u>121,347</u>
Less interest element	(13,639)	(16,014)
Imputed finance lease obligations	<u>97,785</u>	<u>105,333</u>

The total amount charged in the Statement of Comprehensive Net Expenditure in respect of the service charges, overheads and lifecycle charges element PFI of on-statement of financial position transactions was £5.68M (year ended 31 July 2024 £5.03M).

22. CONTINGENT LIABILITY

South West College has obtained EU grant funding in recent years to deliver a wide range of projects. There is the potential for the claw back of certain grants in the event of the conditions of offer not being complied with. South West College does not believe that any such claw back would be significant.

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

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

Owing to the nature of the South West 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 South West College's financial regulations and normal procurement procedures.

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Ms Celine McCartan (Principal and Chief Executive)	• Member – Cappagh Parish Finance Committee	-	-	-	-	-	-	Bid Writing services Registration/ Licence fees
	• NIFRS Learning and Development Centre (Project Board Member)	-	-	-	5,138	-	10,500	
	• Fellow of Institute of Chartered Accountants Ireland	-	-	-	-	-	-	
	• Institute of Personnel Development – Chartered Member	13,916	12,589	-	-	-	-	
	• Member of Enhanced Investment Zones Professional Advisory Panel (From June 2025)	-	-	-	-	-	-	
Mr Nicholas O'Shiel (Chair of Governing Body)	• Chief Executive – Omagh Enterprise Company Limited	-	-	-	-	-	-	
	• Member - Colleges Employers Forum	-	-	-	-	-	-	
	• Director Enterprise NI	-	-	-	-	-	-	
	• Member – Strule Shared Education Campus Stakeholder Group	-	-	-	-	-	-	

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Mrs Gillian McDowell (Governor)	<ul style="list-style-type: none"> Company Director of HR Consultancy – Happy Raspberry Governor – Portadown College 	-	-	-	-	-	-	
Mrs Maria Hackett (Governor)	<ul style="list-style-type: none"> AQA – part time employment Cambridge International – part time employment OCN NI (Open College Network) – part time employment Governing Body Member – Holy Trinity College Cookstown 	94,654	101,828	-	-	-	-	Exam fees
Ms Alana Jones Campbell (Governor)	<ul style="list-style-type: none"> Self Employed – Alana Jones Workplace Solutions Self Employed Associate - Bespoke Consultants Limited Member of the Law Society NI Self Employed Associate - Inspire Wellbeing; Inspire Knowledge and Leadership; Lena by Inspire (Carecall (NI) Limited and EAP Consultants Self Employed Associate – Career Decisions Ireland Owner of rental properties 	1,491	368	-	-	-	-	Media training for CE
		-	90,821	-	-	-	-	Staff and Student counselling
		-	-	-	-	-	-	

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Ms Alana Jones Campbell (Governor – resigned 5 June 2025) (cont'd)	<ul style="list-style-type: none"> Professional member of the Association for Neuro-Linguistic Programming Associate member of the Association for Coaching 	-	-	-	-	-	-	
Dr Frances Campbell (Governor)	<ul style="list-style-type: none"> Director for NI and Head of Research – Community Transport Association NI (from December 2024) Research and Development Officer – Community Transport Association NI (to November 2024) Parent Governor – All Saints Primary School Tattysallagh 	-	-	-	-	-	-	
Mr Diarmuid Hanna (Student Governor)	<ul style="list-style-type: none"> General Operative – Decking NI Sales Advisor – VM02 – Telefonica (From 6 March 2025) 	-	-	-	-	-	-	
Mrs Libby Armstrong (Governor)	<ul style="list-style-type: none"> Fair Employment and Industrial Tribunal – Panel Member Labour Relations Agency NI – Board Member 	-	-	-	-	-	-	

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Mr Michael Barnett (Governor)	<ul style="list-style-type: none"> McAleeer Jackson Limited BP Healthcare Limited Barnett Farms Limited The Clogher Valley Agricultural Society Limited – Honorary Treasurer 	-	-	-	-	-	-	
Dr David Cutting (Governor)	<ul style="list-style-type: none"> Employee – Queens University Belfast Director/Owner – Simplified Silicon Limited External Examiner – University of Hertfordshire External Examiner – University of Bradford 	-	120	4,551	-	-	-	Analysis of materials sample/ Validation Fees CASE Project
Mrs Deborah Brown (Staff Member/ Governor – term of office ended 28 October 2024)	<ul style="list-style-type: none"> Employee South West College 	-	-	-	-	-	-	
Dr Nichola Melanaphy (Staff Governor from 21 November 2024)	<ul style="list-style-type: none"> Employee South West College 	-	-	-	-	-	-	

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Mr Tom Corr (Staff Member/ Governor)	<ul style="list-style-type: none"> Registered Provider/Joint ownership – Trevenna Lodge Residential Care Home Committee Member – Row the Erne Joint ownership of 3 rental properties Joint ownership of family farm SWC Employee 	-	-	-	-	-	-	
Mr Brian Ingram (Governor)	<ul style="list-style-type: none"> Member – Probation Board for NI Chair – Board of Directors of Cithrah Foundation 	-	-	-	-	-	-	
Mrs Sandra Isherwood (Governor)	<ul style="list-style-type: none"> Company Director/Company Secretary – Creative Media Hon Secretary – St Columba's Parish Church Principal/Secretary of Board of Governors/Coach of First Time Principals/Teacher Tutor/Designated Teacher – Jones Memorial Primary School Project Board Member – Strategic Partner & Schools Management System (SPSMS) 	-	-	-	-	-	446	Global Food and Cultural Event

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Dr Lynsey Quinn (Governor)	<ul style="list-style-type: none"> Head of Private Sector Development – The Open University (GB & ROI) Governor – Barbour Nursery School Lisburn Governor – Wallace High School 	106,485	84,853	-	-	-	-	Registration Fees
Ms Anne McCleary (Governor)	<ul style="list-style-type: none"> President – Fusion Theatre Lisburn Member of the Law Society of Northern Ireland Member – Belfast Boat Club 	-	-	-	-	-	-	
Mrs Maria Curran (Governor resigned 19 March 2025)	<ul style="list-style-type: none"> Self-employed Project Director – MEGA network 	-	-	-	-	-	-	
Mrs Maureen Brunt (Governor)	<ul style="list-style-type: none"> Business and Wellbeing Development Consultant – Lynx Business and Wellbeing Services Manager – RJR Brunt Member – Probation Board NI Member – Equality Commission NI (to June 2028) Voluntary – NI Drainage Council 	-	-	-	-	-	-	

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Governor/ Senior Manager	Company	Amount Paid 2024 £	Amount Paid 2025 £	Amount received 2024 £	Amount received 2025 £	Amount outstanding at 31 July 2024 £	Amount outstanding at 31 July 2025 £	Nature of Transactions
Mrs Maureen Brunt (Governor) (cont'd)	<ul style="list-style-type: none"> Voluntary Director – Trillick Enterprise Limited Preacher Methodist Church Ireland Member – Chartered Institute of Personnel and Development Member – Institute of Directors (to May 2025) Member – London Institute of Banking and Finance/Institute of Financial Services (to March 2025) Member – European Mentoring and Coaching Council Member – British Psychological Society Fellowship – Federation of Holistic Therapists 	- 13,916 - - - -	- 12,589 - - - -	- - - - - -	- - - - - -	- - - - - -	- - - - - -	Registration/ Licence fee
Mrs Sharon McGrath (Director of Corporate Services)	• None	-	-	-	-	-	-	
Mr Ciaran McManus (Director of Development and Support)	• DE Representative – St Joseph's College Enniskillen Governing Body	-	-	53,865	44,666	-	-	Entitlement Framework fees
Mr Padraig McNamee (Director of Curriculum)	• Farm Business	-	-	-	-	-	-	

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

24. AMOUNTS DISBURSED AS AGENT: SUPPORT FUNDS

	2025 £'000	2024 £'000
DfE Grants - Hardship	124	132
Disbursed to students - Hardship	(69)	(100)
Balance unspent at 31 July 2025	55	32
DfE Grants – Care to Learn	17	9
Disbursed to students – Care to Learn	(17)	(9)
Balance unspent at 31 July 2025	-	-

Support funds are available solely for distribution to students; the South West College acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

25. LOSSES AND SPECIAL PAYMENTS

	2025 £'000	2024 £'000
Bad debt write off	40	17
Special payment	-	-
	40	17

South West College sought to recover the debt initially and subsequently on advice, has now written off these balances. Appropriate approval has been granted. The bad debt write off comprises 25 Student debts and 2 Companies in 2024/25. South West College followed procedures as per the Credit Control and Debt Management Policy including the sending of invoices, statements and reminder letters, forwarding the debt to the Debt Collection Agency for recovery, and the sending of letters before legal action all without success. (66 student debts in 2023/24)

26. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

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

	Notes	2025 £'000	2024 £'000
INCOME			
DfE income (non grant-in-aid items)	1	3,890	6,030
Education contracts	2	5,743	5,279
Tuition fees and charges	3	2,114	1,984
Other grant income	4	1,871	1,332
Other operating income	5	841	796
Investment income	6	148	187
Total incoming resources		14,607	15,608
EXPENDITURE			
Staff costs	7	30,843	28,591
Other operating expenses	9	16,221	13,925
Interest and other finance costs	10	2,376	2,682
Depreciation	12 & 13	6,049	6,159
Total resources expended		55,489	51,357
		(40,882)	(35,749)
Net deficit for the year			
Unrealised surplus on revaluation of land and buildings		6,935	3,966
Actuarial gain/(loss) in respect of pension scheme		(201)	(109)
Exceptional items			
Exceptional costs – staff	7	(27)	(2,506)
Exceptional gain – non staff	9	574	604
Exceptional gain – sale of asset	12	5	7
Amount transferred to reserves		(33,596)	(33,787)

South West College

Notes to the Financial Statement for the Year Ended 31 July 2025 (Cont'd)

Analysis of reserves prepared under FReM

		2025	2024
	Notes	£'000	£'000
Balance at 1 August		97,005	97,233
Grant-in-aid received in year	27	38,552	33,559
Net operating cost for year		(33,596)	(33,787)
Balance at 31 July		101,961	97,005

Note 1

DfE income (Non-Grant in Aid items)

	2025	2024
	£'000	£'000
EMA	14	12
Higher Level Apprenticeships	1,821	1,565
Other	2,055	4,453
Balance at 31 July	3,890	6,030

Note 27

Reconciliation of Amount Transferred to Reserves and Grant In Aid

	2025	2024
	£'000	£'000
Amount transferred to reserves	33,596	33,787
Unrestricted comprehensive income	4,956	(228)
Grant-in-aid received in year	38,552	33,559

28. EVENTS AFTER THE REPORTING PERIOD

Non-Teaching Pay Award – April 2025

The rates of salaries for non-teaching staff follow the National Joint Council (NJC) Local Government Services Pay Agreement. The rates of salaries from 1 April 2025 were published by NJC on 24 July 2025. These rates of salaries for non-teaching staff have been accrued in staff costs for the year ended 31 July 2025. Arrears were paid to Staff in November 2025.

PSNI Case Holiday Pay Accrual – August 2024

The Holiday pay accrual based on the PSNI case was agreed by College Principals in November 2025 to be paid to all eligible staff effective from 1 August 2024 (start of the College's financial year).

Date of authorisation for issue

The Accounting Officer authorised the issue of these financial statements on 2nd February 2026.