

# **Stranmillis University College**

A College of Queen's University Belfast.

## **REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2013**

**GOVERNORS AND ADVISORS**

The members of the Governing Body during the year were:

Professor Sir Desmond Rea (Chair of the Governing Body) (appointed 13 May 2013)  
S A Costello MBE BA (Chair of the Governing Body) (resigned 6<sup>th</sup> December 2012)  
Mrs D Bell MA, DASE (Vice-Chair of the Governing Body)  
N Bodger MBA, Dip Mod Lang (Chair of the Audit Committee)  
D Capper BA, Cert Ed  
Rev M Hagan Cert HE Theology M.Phil  
Dr J Harper MEd, DASE, PQH(NT) EdD  
Dr A Heaslett BA MA D.Phil MSc FRSA (*Principal and Chief Executive*)  
T McGonigal FCCA, CIPD, MBA  
Mrs S Madden (appointed 29 March 2013)  
K Nelson (appointed 29 March 2013)  
R Thompson (appointed 29 March 2013)

**Staff Representatives**

C Donaghy BA MEd (*Academic Staff Governor*)  
A Ramage (*Support Staff Governor*)

**Student Representative**

G Turnbull BEd (*Student Governor*)

**Principal:** Dr A Heaslett

**External Auditor:** Grant Thornton UK LLP  
2 Clarence Street West  
Belfast  
BT2 7GP

**Internal Auditor:** Deloitte LLP  
19 Bedford Street  
Belfast  
BT2 7EJ

**Solicitors:** Carson McDowell  
Murray House,  
4 Murray Street  
Belfast  
BT1 6DN

**Bankers:** Ulster Bank Limited  
University Road  
Belfast  
BT7 1NG

**Principal Address:** Stranmillis University College  
Stranmillis Road  
Belfast  
BT9 5DY

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**REPORT OF THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2013**

The Governors are pleased to present their report and the accounts of the University College for the year ended 31 July 2013.

**The University College**

The University College is a Higher Education Institution, the principal business of which is the provision of courses in Initial Teacher Education leading to the award of the BEd (Honours) degree validated by Queen's University, Belfast (QUB). The University College also offers a BA (Early Childhood Studies, a BSc (Health and Leisure Studies), a Postgraduate Certificate in Education (PGCE) in early years education and a range of courses at Master's level.

Founded in 1922, Stranmillis University College has just celebrated its 90th year. Stranmillis University College's vision is to be a centre of excellence in educational, professional and vocational development and its mission is 'to sustain a critical community of educational excellence in teaching and research in a shared environment where diversity is welcome, in order to meet the professional needs of society in Northern Ireland.'

The University College was created as an incorporated institution by virtue of the Colleges of Education (NI) Order 2005 which received parliamentary approval on 19<sup>th</sup> July 2005. The Order was effective from 1 October 2005.

Based on this legislation, the Office for National Statistics reclassified the University College as part of Central Government. This has resulted in the University College being determined as a Non Department Public Body (NDPB) with effect from 1 April 2012.

**Financial Results for the Year**

The University College's Income, Expenditure and Results for the year to 31 July 2013 are summarised below:

	2013	2012
	£'000	£'000
Income	13,365	12,451
Expenditure	(13,088)	(11,892)
Operating Surplus	<u>277</u>	<u>559</u>
Transfer to Reserves	<u>277</u>	<u>559</u>

**Income**

Total income increased by £914k or 7.3% compared with the previous year. This is despite a reduction of £301k or 5.8% in recurrent grant funding received from the Department for Employment and Learning (DEL) in the year. Recurrent Grant funding of £4,858k (2012 - £5,159k) contributed 36.3% (2012 - 41.4%) of total income received in the year.

In interpreting income, readers should note that total Funding Grants included £1,472k (2012 - £1,454k) of funding Grants Released, the bulk of which related to the matching depreciation charge on

the assets which were inherited by the University College on incorporation in 2005. The Grants Released income therefore does not represent revenue funding actually received in the year from DEL. The amounts released represent some 11% (2012 – 11.7%) of amounts recorded as income in the year. As a consequence of the current accounting treatment both Grants Released and Depreciation charges are much higher than the equivalent figures for many other small Higher Education Institutions.

Tuition Fee income increased by 3.2% in the year including a £65k or 19.8% increase in part time tuition fees. Full time tuition fee income increased by £34k or 1.2% with a fall of 18 full time students offsetting the 2.9% inflationary impact of the tuition fee increase over the year. Total Tuition Fee income contributed 24.2% (2012 – 25.2%) of Total Income.

Some 27.7% (2012 – 20.75%) of income in the year was derived from sources other than DEL Funding Grants and Tuition Fees. Success is therefore evident from these results of the University College's strategy in recent years to diversify the sources of its income and therefore reducing reliance on reducing levels of core government funding. The most significant factor which contributed to this 43.1% increase in income from other sources in the year was due to an increase of £1,089k in Major Project income with £1,380k of income in the year derived from two Major Projects.

The University College has attracted significant income in recent years from a £900k funded 3 year project which ends in December 2013. The full year impact of a further 3 year £4M Special Educational Needs (SEN) Literacy project, funded to March 2015, is the main source of the expansion of Major Project income in the year. Both projects effectively offer Continuing Professional Development opportunities to practising teachers and are delivered in partnership with St. Mary's University College, Belfast.

Halls of Residence, Catering, Conferencing, Rental and Room Hire income, under the management of the Hospitality Services Department, contributed £1,822k or 13.6% of total income in the year. A reduction of £26k on the prior year is a very positive result in the face of challenging economic circumstances.

### **Expenditure**

Expenditure increased by 10% compared to the previous year reflecting the higher activity reported above.

Included within Total Expenditure is a charge of £262k relating to the FRS 17 accounting adjustment required as a result of annual actuarial valuation of the NILGOSC pension scheme. The equivalent for the year to July 2012 was a reduction of expenditure by £16k – a swing of £278k over the year which illustrates the volatile nature of these adjustments and the resultant challenge in managing the impact of this adjustment and consequently in interpreting the annual financial results.

Adjusting for the impact of FRS 17, staff costs increased by 2.3% or £147k in the year. Unadjusted staff costs represented 51% (2012- 54%) of total expenditure which is below the sector average. Staff costs represented over 57% of total expenditure in the year to July 2007 illustrating the level of staff efficiencies that have been achieved in recent years.

Other Operating Expenditure increased by £734k or 18.9% on the previous year. Some £577k of this increase was due to expenditure on course related resources and teacher substitute cover payments, the bulk of which was connected with Major Projects detailed above. In addition, energy costs were some £46k or 14.4% higher and investment in updated resources increased Library costs by £33k or 37.7%.

Other Professional Fees were some £78k more than in 2012 reflecting increasing costs associated with the design, planning and management of major refurbishment and capital projects currently or soon to be underway on campus. Investment in staff development was also some £25k higher than in 2012.

Depreciation represented 12.3% (2012 – 13.35%) of total expenditure. Off-setting the related Deferred Capital Grant Release within Funding Grants Income, as detailed above, the net depreciation charge in the year was £144k (2012 - £125k).

The reported surplus of £277k (2012 - £559k) for the year represents 2% of income (2012 – 4.5%) and this reflects the Governors' commitment to the generation of operating surpluses. This financial strategy supports both investment in the campus and on-going sustainability of operations, whilst the necessity to make efficiency savings has been embraced.

### **Cash Flow**

The cash flow statement shows a net increase in cash of £201,521.

### **Balance Sheet**

Net Assets at £50.256M have increased by £555k over the year. General reserves, currently £5.4M, have been strengthened by continued operating surpluses. Despite funding some capital projects during the year, cash holdings and short term deposits also remain strong at £3.7M. It is expected, however, that cash holdings will reduce over the coming year with further planned investment in infrastructure improvements as detailed below.

An actuarial gain of £1.4M resulted in a reduction of the net pension liability, being the University College's share of the NILGOSC pension scheme overall deficit, to £4.937M (2012 - £6.75M).

### **Capital Investment**

During the year the University College invested £730k in building works. The works undertaken in the year included the completion of the University College funded refurbishment and installation of en-suite bathroom facilities in Dunseverick Hall at a total cost of £373k.

The University College continued to invest its DEL capital allocation in schemes which enhance the teaching and learning environment for staff and students. During the year some £42k of expenditure was incurred in the completion of the £565k refurbishment of first floor teaching space in Central Building whilst work costing £350k commenced on a scheme to install a lift and address disabled access to Stranmillis House.

In the year the University College received a capital grant of £349,768 from DEL relating to the Stranmillis House project.

### **Future Developments**

The University College continues to receive more significant levels of recurring capital funding from the Department than was previously the case with capital funding in excess of £1.6M expected to be received over the period April 2011 to March 2015.

Further significant refurbishment projects on campus, partially funded by the Department, will continue in 2013-14 and beyond including the completion of the Stranmillis House project. The University College has, since year-end commenced a £1M project to install a lift and relocate Scholars Bar to provide significantly enhanced social facilities to meet student demand and enhance the offering and therefore attract increased conferencing business. This project will be funded from the University College's own funds.

It is also planned during 2013-14, with the assistance of DEL capital funding, to commence the refurbishment of the foyer area of Central Building incorporating the relocation of the existing

catering outlet. It is also planned, with assistance of £2.8M of special government funding, to commence the removal of asbestos and the refurbishment of the iconic Main Building later in 2013-14.

The Governing Body is also committed to continue to secure the financial solvency of the University College within the context of its long term strategy and objectives.

### **Principal Risks and Uncertainties**

The previously reported process investigating the potential to merge with Queen's University Belfast failed to gain widespread political support and this option will not now proceed.

During the year, the first part of the DEL funded Study of the Teacher Infrastructure in Northern Ireland was carried out by Grant Thornton. It examined how Initial Teacher Education is funded in Northern Ireland with a specific focus on the work of the two University Colleges. A second phase of this project – The DEL Review of Initial Teacher Education Infrastructure in Northern Ireland - is currently underway and includes all institutions involved in Teacher Education in Northern Ireland. The University College is currently developing its response. The outcome of the review is not expected to be available until the summer of 2014.

The Teacher Education Review being undertaken by the Department of Education, which examines the entire framework of Teacher Education policy in Northern Ireland, also hopes to publish a final report in 2014. The University College therefore continues to operate in a challenging policy environment.

As outlined in more detail in the Statement on Internal Control, a risk register is maintained at the University College level which is reviewed at least annually by the Audit Committee and more frequently where necessary. The risk register identifies the key risks, the likelihood of those risks occurring, their potential impact on the University College and the actions being taken to reduce and mitigate the risks. Risks are prioritised using a consistent scoring system. This is supported by a risk management training programme to raise awareness of risk throughout the University College.

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

The Governing Body considers that the recent reclassification of the University College as a Non Department Public Body - it would be the only Higher Education Institution within this category - unnecessarily restricts the University College's freedom of movement as an institution.

### **Stakeholder Relationships**

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

- students;
- the Department for Employment and Learning;
- staff;
- local employers;
- local authorities;
- Government Offices the local community;
- other HE institutions;
- trade unions; and
- professional bodies.

The University College recognises the importance of these relationships and engages in regular communication with them through the University College internet site and by meetings and via representation on various external organisations working groups, committees etc. The University College considers good communication with its staff to be very important and regular meetings are held. The University College encourages staff and student involvement including through membership of the Governing Body.

### **Equal Opportunities and Employment of Disabled Persons**

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

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

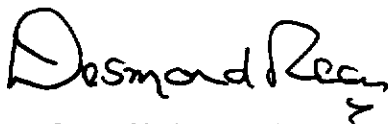
Without prejudice to its obligations above, the University College has, in carrying out its functions, had regard to the desirability of promoting good relations between persons of different religious belief, political opinion or racial group. The University College has included the promotion of good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

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

The University College is committed to developing an environment that is inclusive, fair, open and welcoming of individuals from diverse groups. Diversity and equality are recognised, encouraged, promoted and values at all levels of the organisation and in all its functions.

Recent years have seen significant alterations to help make the campus buildings more accessible for disabled persons. Improvements are on-going to further improve physical access and provide additional technologies and support for disabled students including those suffering from dyslexia. The University College will ensure that every effort is made to meet the support needs of its key stakeholders.



Professor Sir Desmond Rea

Chairman: 12th December 2013



## CORPORATE GOVERNANCE STATEMENT

The University College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University College has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

Throughout the period ended 31 July 2013, the University College has been in compliance with all the Code provisions set out in Section 1 of the Combined Code on Corporate Governance insofar as they relate to the University College. The University College also complies with the Guide for Members of Governing Bodies of Universities and College in England and Wales that was issued by the Committee of University Chairs.

The Governing Body of the University College comprises lay members, a student and two staff representatives all of whom are appointed by the Department for Employment and Learning. The roles of Chairman and Vice-Chairman of the Governing Body are separated from the role of the University College's Chief Executive, the Principal. The Governing Body holds to itself the responsibilities for the on-going strategic direction of the University College, the monitoring of an annual Business Plan, approval of major developments and the receipt of regular reports from senior management on the day-to-day operations of its business. The University College subscribes to the principles of public life and has adopted a code of conduct for members of the Governing Body.

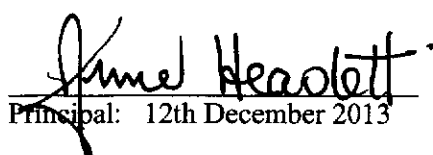
The Executive Committee, inter alia, recommends to the Governing Body the University College's annual revenue and capital budgets and monitors performance in relation to the approved budgets.

The Audit Committee meets with the University College's external and internal auditors in attendance when necessary. The Committee considers detailed reports together with recommendations for the improvement of the University College's systems of internal control and management's responses and implementation plans.

The Principal, as Chief Executive, influences the development of the institutional strategy, its ethos and the identification and planning of new developments. The Vice-Principals are senior officers of the University College and all contribute in various ways to these aspects of the work, but ultimate responsibility rests with the Principal.

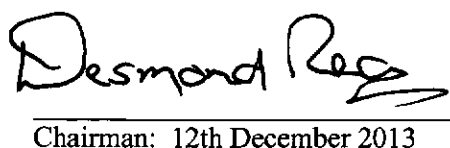
The University College maintains a Register of Interests of Members of the Governing Body and Senior Officers, which may be consulted by arrangement with the Secretary to the Governing Body. The Register is available at all meetings of the Governing Body.

Dr A Heaslett



Principal: 12th December 2013

Professor Sir Desmond Rea



Chairman: 12th December 2013

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**STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY**

The Governing Body of the University College is responsible for the administration and management of the affairs of the University College and is required to present audited financial statements for each financial year.

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

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

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

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

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

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

The Governing Body has taken reasonable steps to:

- ensure that funds from the Department are used only for the purposes for which they have been given and in accordance with the Financial Memorandum agreed with the Department and other conditions which the Department may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University College and prevent and detect fraud;
- secure the economic, efficient and effective management of the University College's resources and expenditure.

**Disclosure of Information to Auditors**

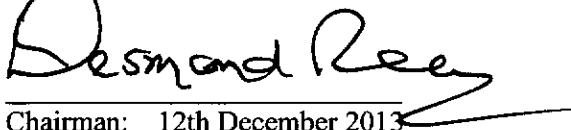
So far as each of the members of the Governing Body is aware at the time this report is approved:

- a) there is no relevant audit information of which the auditors are unaware and

- b) that the members of the Governing Body have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved on behalf of the Governors by:

Professor Sir Desmond Rea

A handwritten signature in black ink, appearing to read 'Desmond Rea', written over a horizontal line.

Chairman: 12th December 2013

## STATEMENT OF INTERNAL CONTROL

As the Governing Body of Stranmillis University College, we have the responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the Governing Body in the instrument and articles and the Financial Memorandum with the DEL.

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the period ended 31 July 2013 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

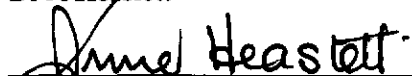
As the Governing Body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- a) We meet at regular intervals to consider the plans and strategic direction of the institution.
- b) We receive periodic reports from the chairman of the audit committee concerning internal control, and we require regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- c) We have requested that the audit committee oversee the risk management process.
- d) The audit committee receives regular reports from internal audit, which includes an independent opinion on the adequacy and effectiveness of the University College's system of internal control, together with recommendations for improvement.
- e) A regular programme of facilitated workshops is held to identify and keep up to date the record of risks facing the organisation.
- f) A programme of risk awareness training is under way.
- g) A system of key performance and risk indicators has been developed.
- h) A robust risk prioritisation methodology based on risk ranking has been established.
- i) An organisation-wide risk register is now maintained.
- j) Reports are received from budget holders, department heads and project managers on internal control activities.

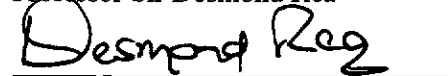
Our review of the effectiveness of the system of internal control is informed by internal audit, which operates to standards defined in the HEFCE Audit Code of Practice and will be reviewed for effectiveness by the HEFCE Audit Service. The internal auditors submit regular reports which include an independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement. The University College achieved an overall satisfactory level of assurance as a result of the 2012-13 programme of internal audit reviews.

Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Dr A Heaslett

  
Principal: 12th December 2013

Professor Sir Desmond Rea

  
Chairman: 12th December 2013

**REPORT OF THE INDEPENDENT AUDITOR TO THE GOVERNING BODY OF STRANMILLIS UNIVERSITY COLLEGE**

We have audited the financial statements of Stranmillis University College ('the College') for the year ended 31 July 2013 which comprise the income and expenditure account, the statement of total recognised gains and losses, the College balance sheet, the cash flow statement, the reconciliation of net cash flow to movement in net funds and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Governing Body, as a body, in accordance with the Financial Memorandum with the Department for Employment and Learning. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and the Governing Body, as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Governing Body and auditor**

As explained more fully in the Governing Body's Responsibilities Statement, the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website [www.frc.org.uk/apb/scope.private.cfm](http://www.frc.org.uk/apb/scope.private.cfm)

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as 31 July 2013 and of its income and expenditure, recognised gains and losses and statement of cash flows for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education.

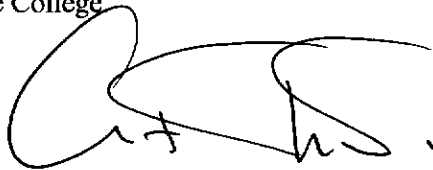
**Opinion on other matters**

In accordance with Department for Employment and Learning's Financial Memorandum dated January 2008, we are required to report whether, in our opinion, in all material respects:

- income from the Department for Employment and Learning, grants and income for specific purposes and from other restricted funds administered by the College during the year ended 31 July 2013 have been applied for the purposes for which they were received; and
- income during the year ended 31 July 2013 has been applied in accordance with the College's statutes and, where appropriate, with the Financial Memorandum with the Department for Employment and Learning.

**Matter on which we are required to report by exception**

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice requires us to report to you if, in our opinion the Statement of Internal Control is inconsistent with our knowledge of the College



**Grant Thornton UK LLP**  
**Statutory Auditor, Chartered Accountants**  
**BELFAST**

13 December 2013.

**INCOME AND EXPENDITURE ACCOUNT**

For the Year Ended 31 July 2013

		2013 £	2012 £
<b>Income</b>	<b>NOTE</b>		
Funding Grants	(2)	6,433,538	6,732,775
Tuition Fees	(3)	3,232,887	3,134,128
Research Grants and Contracts	(4)	188,111	138,359
Other Operating Income	(6)	3,424,457	2,347,796
Interest Receivable (Including FRS 17 amount)		85,886	97,641
		<u>13,364,879</u>	<u>12,450,699</u>
<b>Expenditure</b>			
Staff Costs	(7) & (8)	6,682,225	6,420,033
Other Operating Expenditure	(10)	4,626,954	3,892,762
Depreciation	(12)	1,615,572	1,579,076
Interest Payable (including FRS 17 amount)		163,000	-
<b>Total Expenditure</b>		<u>13,087,751</u>	<u>11,891,871</u>
Surplus		<u>277,128</u>	<u>558,828</u>
Taxation		<u>-</u>	<u>-</u>
Surplus on Continuing Operations after Depreciation	(17)	<u>277,128</u>	<u>558,828</u>

The Income and Expenditure Account of the University College relates wholly to continuing operations.

**Statement of the Total Recognised Gains and Losses for the year ended 31 July 2013**

	2013 £	2012 £
Surplus on Continuing Operations	277,128	558,828
Actuarial Gain/(Loss) in respect of Pension Scheme (Note 17)	1,400,000	(4,357,000)
Total Recognised (Losses)/Gains relating to the year	<u>1,677,128</u>	<u>(3,798,172)</u>
<b>Reconciliation</b>		
Opening Reserves and Endowments	(1,210,872)	2,587,300
Total Recognised (Losses)/Gains for the year	1,677,128	(3,798,172)
Closing Reserves	(17) <u>466,256</u>	<u>(1,210,872)</u>

The notes on pages 18 to 33 form part of these financial statements.

**BALANCE SHEET****As at 31 July 2013**

	Note	2013 £	2012 £
Tangible Assets	(12)	51,881,460	52,767,093
Total Fixed Assets		<u>51,881,460</u>	<u>52,767,093</u>
Debtors	(13)	945,294	455,343
Short Term Deposits		3,250,000	2,750,000
Cash at Bank and in Hand		445,085	743,564
Total Current Assets		<u>4,640,379</u>	<u>3,948,907</u>
Less: Bank overdraft		-	-
Creditors – amounts falling within one year	(14)	<u>(1,328,755)</u>	<u>(940,254)</u>
Net Current Assets		<u>3,311,624</u>	<u>3,008,653</u>
Total Assets less Current Liabilities		55,193,084	55,775,746
Less: Creditors – Amounts falling due after more than one year		-	-
Less: Provisions for Liabilities and Charges	(15)	(4,937,000)	(6,075,000)
NET ASSETS		<u>50,256,084</u>	<u>49,700,746</u>
Deferred Capital Grants	(16)	49,789,828	50,911,618
Reserves	(17)	5,403,256	4,864,128
FRS 17 Pension Reserve	(17)	(4,937,000)	(6,075,000)
Total funds		<u>50,256,084</u>	<u>49,700,746</u>

The financial statements on pages 15 to 33 were approved by the Governing Body on 12th December 2013 and were signed on its behalf by:

Dr A Heaslett



Principal: 12th December 2013

Professor Sir Desmond Rea



Chairman: 12th December 2013

The notes on pages 18 to 33 form part of these financial statements.



**CASH FLOW STATEMENT**  
**For the Year Ended 31 July 2013**

		2013 £	2012 £
	Note		
<b>Net Cash Inflow/(Outflow) From Operating Activities</b>	(18)	495,806	986,173
<b>Returns on Investments</b>			
Servicing of Finance		85,886	72,641
<b>Net Cash Inflow</b>		<u>581,692</u>	<u>1,058,814</u>
<b>Taxation</b>		-	-
<b>Capital Expenditure and Financial Investment</b>	(12)	<u>(729,939)</u>	<u>(642,068)</u>
<b>Net Cash Inflow/(Outflow) before Financing</b>		<u>(148,247)</u>	<u>416,746</u>
Capital Grants Received	(16)	<u>349,768</u>	<u>495,000</u>
<b>Cash Inflow before use of Liquid Resources and Financing</b>		<u>201,521</u>	<u>911,746</u>
<b>Increase in Cash</b>	(19)	<u>201,521</u>	<u>911,746</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	2013 £	2012 £
Increase in Cash in the Period (Note 19)	<u>201,521</u>	<u>911,746</u>
Change in Net Funds	201,521	911,746
Net Funds as at 1 August 2012	3,493,564	2,581,818
Net Funds as at 31 July 2013	<u>3,695,085</u>	<u>3,493,564</u>

The notes on pages 18 to 33 form part of these financial statements.

**NOTES TO THE ACCOUNTS****For the year to 31 July 2013****1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES****(a) Format of Accounts**

The financial statements have been prepared in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions (SORP) and applicable Accounting Standards and the Financial Memorandum between the Department for Employment and Learning and the University College (May 2007).

**(b) Basis of Accounting**

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

**(c) Recognition of Income**

Income from tuition fees is recognised in the period for which it is receivable and includes all fees chargeable to students or their sponsors. The costs of any fees waived by the University College are included as expenditure in Note 10.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits and endowments is credited to the income and expenditure account in the period in which it is earned. Income from specific endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to specific endowments.

Income receivable from the Department for Employment and Learning is accounted for on an accruals basis in line with the SORP.

**(d) Pension Schemes**

The University College has applied the amendment to Financial Reporting Standard, FRS 17 'Retirement Benefit' which is effective for accounting periods commencing on or after 6 April 2007. The amendment to FRS 17 primarily affects disclosures in relation to defined benefit schemes.

Retirement benefits for employees of the University College are provided by defined benefit schemes, which are funded by contributions from the University College and employees. Payments are made to the Teachers Superannuation Scheme (TSS) for academic staff and to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) for non-academic staff. These are both independently administered schemes. Contributions are charged to the Income and Expenditure account so as to spread the cost of the pensions over the employee's working lives with the University College.

From 1 April 2008 the employer contribution was 13.6%. The contribution rate will remain at this rate for the 2013 - 14 financial year. A full actuarial review of the Teachers Superannuation Scheme is currently in progress.

The NILGOSC Fund is valued every three years by an independent actuary. The last completed valuation was at 31 March 2013 and is subject to the new regulations for the LGPS(NI) 2014 scheme being in force with effect from 1 April 2014. It is expected that the employer contribution rate for support staff will remain at 20% until the next valuation.

**(e) Tangible Fixed Assets****Land and Buildings**

Land and buildings inherited from the local Department for Employment and Learning and buildings acquired since incorporation are stated in the balance sheet at valuation on the basis of depreciated replacement cost, as the open market value for existing use is not readily obtainable. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the University College of between 20 and 50 years. The University College has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account, and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets. A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

On adoption of FRS 15, the University College followed the transitional provision to retain the book value of land and buildings, which were re-valued in 1996, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

**Equipment**

Equipment costing less than £10,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic life as follows:

- Motor vehicles and general equipment - three years;
- Computer equipment - three years;
- Furniture and fittings - five years.

Where equipment is acquired with the aid of specific grants, it 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 equipment.

**(f) Investments**

Listed investments held as fixed assets or endowment assets are stated at market value. Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

**(g) Maintenance of Premises**

The cost of routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

**(h) Foreign Currency Translation**

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

**(i) Taxation**

The University College is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section Part 11 of the Income and Corporation Taxes Act 2010 (CTA 2010). Accordingly, the University College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 of CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University College receives no similar exemption in respect of Value Added Tax.

**(j) Liquid Resources**

Liquid resources comprise government securities and short-term deposits with recognised banks and building societies.

**(k) Provisions**

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

**2 FUNDING GRANTS**

The total received from the Department of Employment & Learning (DEL) comprised:

	2013 £	2012 £
Recurrent Grant	4,857,845	5,158,624
Grants Released	1,471,558	1,454,071
Widening Access	54,457	57,295
Research Funding	49,678	62,785
	<u>6,433,538</u>	<u>6,732,775</u>

**3 TUITION FEES**

Variable tuition fees were introduced with effect from 1 August 2006. The rate for 2012-13 was set at £3,475 for full-time students (2012: £3,375). No students were charged tuition fee under the pre 2006 funding regime in 2012-13.

	2013 £	2012 £
Full-time Students	2,841,094	2,807,070
Part-time Students	391,793	327,058
Total Fees paid by/on behalf of Students	<u>3,232,887</u>	<u>3,134,128</u>

**4 RESEARCH GRANTS AND CONTRACTS**

	2013 £	2012 £
UK Based Charities	3,058	2,133
European Commission	56,438	7,600
Other Grants and Contracts	128,615	128,626
<b>Total</b>	<u>188,111</u>	<u>138,359</u>

**5 NUMBER OF STUDENTS**

	2013	2012
BEd	531	532
PGCE	15	15
BA (ECS)	150	150
BSC (H&L)	111	128
<b>TOTAL – FULL TIME</b>	<u>807</u>	<u>825</u>

The University College continued to offer a range of courses at Master's and Certificate level attracting 125 students (2012: 93 students). In addition 113 students (2012: 122 students) undertook part-time undergraduate courses. This equated to 138 full time equivalent students (2012: 133 students) giving a total student population for the year of 945 (2012: 958 students).

**6 OTHER OPERATING INCOME**

	2013 £	2012 £
Residence and Catering Operations	1,612,321	1,627,284
Rents Receivable	36,847	40,909
Hire of Facilities	172,621	180,021
Major Projects	1,380,312	291,184
Sundry Other Income	222,356	208,398
	<u>3,424,457</u>	<u>2,347,796</u>

**7 STAFF COSTS**

	2013 £	2012 £
Wages and Salaries	5,447,630	5,356,738
Social Security Costs	433,373	397,043
Pension Costs	702,222	682,252
Other Pension Costs	99,000	(16,000)
	<u>6,682,225</u>	<u>6,420,033</u>

<b>Staff Numbers</b>	2013	2012
Lecturing Staff	53	51
Support Staff	142	138
	<u>195</u>	<u>189</u>

There were no payments to members of the Governing Body during the year other than reimbursement of travel and subsistence expenses incurred in the course of their duties.

**8 ANALYSIS OF STAFF COSTS BY ACTIVITY**

	2013 £	2012 £
Teaching Departments	2,817,963	3,036,156
Teaching Support Services	102,756	172,490
Other Support Services	495,542	566,036
Admin and Central Support Services	921,841	884,551
Premises	770,649	752,793
Catering and Residences	802,583	777,111
Other Income Generating Activities	671,891	246,896
Other Pension Costs	99,000	(16,000)
	<u>6,682,225</u>	<u>6,420,033</u>

**9 SENIOR POST HOLDERS EMOLUMENTS**

The remuneration of the highest paid employee, including employer's pension contributions:

	2013 £	2012 £
Salary	92,923	92,003
Pension contributions	12,638	12,504
	<u>105,561</u>	<u>104,507</u>

The pension contributions in respect of the Principal are in respect of employer's contributions to the Teachers Superannuation Scheme and are paid at the same rate as other employees who are contributors to the Scheme.

**10 OTHER OPERATING EXPENSES**

	2013 £	2012 £
Residence and Catering Operating Expenses	749,689	779,354
Course Consumables & Field Trips	155,489	162,339
Purchase, Hire and Repair of Equipment	16,915	23,689
IT Maintenance Costs	40,631	72,931
Library Costs	122,281	88,815
Student Placements – Travel and Subsistence	1,132	1,291
Heat, Light and Power	368,126	321,637
Rates and Insurance	341,899	392,018
Refurbishment, Maintenance & Cleaning	478,212	589,966
Telephone	36,329	35,534
Sundry Course Costs	670,455	93,117
Postage and Photocopying	67,651	67,593
Advertising	60,484	59,782
Validation Costs to QUB	313,650	281,413
External Examiner Costs	10,435	46,840
Auditors Remuneration in respect of:		
Internal Audit Services	12,987	8,791
External Audit Services	5,250	6,300
Other Audit Services	1,900	1,626
Other professional fees	181,120	102,633
Careers Service	35,833	43,000
Occupational Health Service	39,847	39,847
Staff Training and Development	82,498	57,750
Widening Access and Bursary Costs	274,256	306,767
Research Project Costs	168,011	110,687
Equipment replacement	40,490	12,310
Printing & Stationery	32,829	14,606
Publications & Subscriptions	60,307	42,948
Travel Costs	31,249	26,611
Other	226,999	102,567
	<u>4,626,954</u>	<u>3,892,762</u>

**11 TAXATION**

The University College did not incur any taxation liability during the period (2012: £Nil).



**12 FIXED ASSETS**

	Freehold Land and Buildings £	Equipment £	Total £
<b>Cost:</b>			
1 August 2012	62,622,727	2,295,157	64,917,884
Additions	729,939	-	729,939
Disposals	-	-	-
31 July 2013	63,352,666	2,295,157	65,647,823
<b>Depreciation:</b>			
1 August 2012	9,893,066	2,257,725	12,150,791
Charge for the year	1,594,818	20,754	1,615,572
Disposals	-	-	-
31 July 2013	11,487,884	2,278,479	13,766,363
NBV 31 July 2013	51,864,782	16,678	51,881,460
NBV 31 July 2012	52,729,661	37,432	52,767,093
Inherited	43,541,793	-	43,541,793
Financed by Capital Grant	7,329,322	16,678	7,346,000
Other	993,667	-	993,667
NBV 31 July 2013	51,864,782	16,678	51,881,460

The rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS 15. Accordingly, the book values at implementation have been retained. Land and buildings inherited from the Department for Employment and Learning at incorporation were valued at 1 October 2005 at depreciated replacement cost by Land and Property Services.

Land and buildings with a net book value of £50,871,115 (2012: £51,976,227) have been financed by exchequer funds. Should these assets be sold, the University College may be required, under the terms of the Financial Memorandum with the Department for Employment and Learning, to surrender the proceeds.

**13 DEBTORS DUE WITHIN ONE YEAR**

	2013 £	2012 £
Debtors	194,235	172,786
Prepayments & Accrued Income	751,059	282,557
	945,294	455,343

**14 CREDITORS DUE WITHIN ONE YEAR**

	2013 £	2012 £
Creditors and Accruals	916,286	859,501
Payments Received in Advance	3,860	33,500
Deferred Income	177,720	37,436
Social Security and Other Tax Payable	230,889	9,817
	<u>1,328,755</u>	<u>940,254</u>

**15 PROVISIONS FOR LIABILITIES AND CHARGES**

	2013 £	2012 £
Net Pension Liability	4,937,000	6,075,000
	<u>4,937,000</u>	<u>6,075,000</u>

**16 DEFERRED CAPITAL GRANTS**

	Department for Employment and Learning £
<b>Balance as at 1 August 2012</b>	
Land and Buildings	50,878,261
Equipment	33,357
<b>Due for the year</b>	
Land and Buildings	349,768
Equipment	-
<b>Released to Income &amp; Expenditure Account</b>	
Land and Buildings	(1,454,879)
Equipment	(16,679)
<b>Balance as at 31 July 2013</b>	<u>49,789,828</u>

**17 STATEMENT OF MOVEMENT OF RESERVES**

	Trust £	General £	Pension £	Capital £	Total £
Balance as at 1 August 2012	2,029	4,241,843	(6,075,000)	620,256	(1,210,872)
Retained Surplus	-	277,128	-	-	277,128
Actuarial Gain on Pension Liability	-	-	1,400,000	-	1,400,000
Pension Reserve Transfer	-	262,000	(262,000)	-	-
Adjustment for Depreciation of University College Funded Assets	-	139,938	-	(139,938)	-
Balance as at 31 July 2013	2,029	4,920,909	(4,937,000)	480,318	466,256

The Trust Fund represents donations, the income from which is used for prizes for final year students. The funds are maintained in separate identifiable assets and are stated at cost.

**18 RECONCILIATION OF SURPLUS TO THE NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	2013 £	2012 £
Operating Surplus	277,128	558,828
Interest Receivable	(85,886)	(72,641)
FRS17 Interest Payable/(Receivable)	163,000	(25,000)
FRS17 Increased/(Decreased) Staff Costs (Note 7)	99,000	(16,000)
Depreciation (Note 12)	1,615,572	1,579,076
Grants Released	(1,471,558)	(1,454,071)
Increase in Debtors	(489,951)	(171,004)
Increase in Creditors	388,501	586,985
Net Cash Inflow from Operating Activities	495,806	986,173

**19 ANALYSIS OF CHANGES IN NET FUNDS**

	31 July 2013	Cash Flow	1 August 2012
	£	£	£
Cash at Bank and in Hand	445,085	(298,479)	743,564
Short Term Deposits	3,250,000	500,000	2,750,000
	3,695,085	201,521	3,493,564

**20 POST BALANCE SHEET EVENTS**

There were no material post balance sheet events.

**21 PENSIONS**

The University College's employees belong to two principal pension schemes, the Teachers' Superannuation Scheme (TSS) and the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC). The total pension cost, excluding FRS17 entries for the period, was £702,222 (2012: £682,252). FRS17 adjustments in the year amounted to a charge of £99,000 (2012: a credit of £16,000).

Employer's pension contributions for the year to 31 July 2014 will be approximately £743,000 for both schemes.

**Teachers Superannuation Scheme (TSS)**

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purpose of determining contribution rates.

Under the definitions set out in Financial Reporting Standard 17 'Retirement Benefits', TSS is a multi-employer pension scheme. The University College is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University College has accounted for its contributions as if it were a defined contribution scheme.

The total contribution made for the period ended 31 July 2013 was £525,020 (2012: £481,417) of which employer's contributions totalled £320,317 (2012: £318,950) and employees' contributions totalled £204,703 (2012: £162,467).

**Northern Ireland Local Government Officers Superannuation Committee (NILGOSC)**

The Northern Ireland Local Government Officers Pension Scheme is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the period ended 31 July 2013 was £506,683 (2012: £492,807) of which employer's contributions totalled £379,387 (2012: £363,301) and employees' contributions totalled £127,296 (2012: £129,506). The employer's contribution rate is expected to remain at 20% for employers from 1 April 2014. From April 2014 employee contributions are expected to be in the range between 5.5% and 10.5% dependent on earnings for employees.

**21 PENSIONS (Continued)**

The latest valuation was carried out on 31 March 2013 by the Committee's Actuary, AON Hewitt and is subject to the new regulations for the LGPS (NI) 2014 scheme. Employer's contribution rates continued to increase with effect as follows:

1 April 2012	19%
1 April 2013	20%

Under the definitions set out in Financial Reporting Standard 17 'Retirement Benefits', NILGOSC is a multi-employer pension scheme. The University College is able to identify its share of the underlying assets and liabilities of the scheme and accordingly presents the following information required by FRS 17.

The principal actuarial assumptions used by the actuaries were as follows:

	2013	2012
Pension Increase Rate	2.7%	2.2%
Salary Increase Rate	5.1%	4.5%
Expected Return on Assets	6.9%	4.9%
Discount Rate	4.5%	4.1%
RPI Inflation	3.6%	3.0%
CPI Inflation	2.7%	2.2%

The post-retirement mortality assumptions used to value the benefit obligation at 31 July 2013 are based on the recent actuarial mortality experience of members within the Fund and allow for expected future mortality improvements using the Standard SAPs Normal Health All Amounts (S1NMA for males and S1NFA for females) year of birth base tables. The figures for 2012 are based on the PFA92 and PMA92 actuarial year of birth tables and average future life expectancies at age 65. These are summarised below:

	2013 Male years	2013 Female years	2012 Male years	2012 Female years
Current pensioners	23.2	26.1	22.9	25.7
Future pensioners	25.2	28.1	24.9	27.7

**21 PENSIONS (Continued)**

The fair value assets in the scheme and expected rates of return were:

	Long Term Return at 31 July 2013 % p.a	Assets at 31 July 2013 £'000	Long Term Return at 31 July 2012 % p.a	Assets at 31 July 2012 £'000
Equities	7.8%	10,032	5.5%	8,059
Government Bonds	3.3%	811	3.5%	1,435
Corporate Bonds	4.0%	811	3.5%	-
Property	7.3%	1,036	3.7%	994
Cash	0.9%	585	2.8%	552
Other	7.8%	12	5.5%	-
<b>Total</b>	<b>6.9%</b>	<b>13,287</b>	<b>4.9%</b>	<b>11,040</b>

The above asset values as at 31 July 2013 are at bid value as required under FRS 17

The amounts recognised in the balance sheet are as follows:

	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
Fair Value of Scheme Assets	13,287	11,040
Present Value of Scheme Liabilities	(18,224)	(17,115)
<b>Net (Underfunding) in Funded Plan</b>	<b>(4,937)</b>	<b>(6,075)</b>

**Amount in the Balance Sheet**

Liabilities	(4,937)	(6,075)
Assets	-	-
<b>Net Pension Liability</b>	<b>(4,937)</b>	<b>(6,075)</b>

The amounts charged to the Income and Expenditure account are as follows:

	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
Current Service Cost	474	351
Interest Cost	704	661
Expected Return on Scheme Assets	(541)	(686)
Past Service Cost	-	-
Curtailements and Settlements	-	-
<b>Closing Balance</b>	<b>637</b>	<b>326</b>
<b>Actual Return on Plan Assets</b>	<b>2,227</b>	<b>304</b>

**21 PENSIONS (Continued)****Reconciliation of Defined Benefit Obligation:**

	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
Opening Defined Benefit Obligation	17,115	12,455
Current Service Cost	474	351
Past Service Costs	-	-
Interest Cost	704	661
Actuarial Losses/(Gains)	286	3,973
Contributions by Members	129	135
Impact of Settlements and Curtailments	-	-
Estimated Benefits Paid	(484)	(460)
Closing Balance	18,224	17,115

**Reconciliation of Fair Value of Employers Assets:**

	Year Ended 31 July 2013 £'000	Year Ended 31 July 2012 £'000
Opening Fair Value of Employers Assets	11,040	10,696
Expected Return on Assets	541	686
Contributions by Members	129	135
Contributions by the Employer	375	367
Contributions in Respect of Unfunded Benefits	-	-
Actuarial Gains	1,686	(384)
Impact of Settlements and Curtailments	-	-
Estimated Unfunded Benefits Paid	-	-
Estimated Benefits Paid	(484)	(460)
Closing Balance	13,287	11,040

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

	2013	2012	2011	2010	2009
Present Value of Employers Assets	13,287	11,040	10,696	9,292	7,670
Present Value of Defined Benefit Obligation at 31 July	(18,224)	(17,115)	(12,455)	(11,819)	(12,937)
Surplus/(Deficit) on the Scheme	(4,937)	(6,075)	(1,759)	(2,527)	(5,267)
Experience Gains/(Losses) on Assets	1,686	(384)	846	957	(1,286)
Experience (Losses)/Gains on Liabilities	-	(129)	(227)	-	-

**22 CAPITAL COMMITMENTS**

	2013 £	2012 £
Commitments Contracted at 31 July 2013	514,627	354,884
	<u>514,627</u>	<u>354,884</u>

The balance of monies due on refurbishment contracts relating to Stranmillis House and the upgrade of facilities with Dunseverick Halls of Residence constitute this liability.

**23 CONTINGENT LIABILITY**

There were no contingent liabilities at the balance sheet date.

**24 RELATED PARTY TRANSACTIONS**

Due to the nature of the University College's operations and the composition of the Governing Body (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 Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the University College's financial regulations and normal procurement procedures.

**25 OTHER FUNDS****Support Fund**

	Year Ended 31 July 2013	Year Ended 31 July 2012
Opening Balance	800	1,500
Grants from the Department for Employment and Learning	41,000	38,894
Bank Interest less Charges	(6)	3
Disbursed to Students	(35,500)	(24,700)
Audit Fees	(471)	(540)
Balance unspent at 31 July 2013	<u>5,823</u>	<u>15,157</u>
Returned to DEL	(2,223)	(14,357)
Closing Balance	<u>3,600</u>	<u>800</u>

In the 2012/13 financial year the Department for Employment and Learning (DEL) allocated £41,000 to the University College to assist, on a discretionary basis, those students whose access to higher education might be inhibited by financial considerations or who, for whatever reason, including physical or other disabilities, face financial difficulties associated with their living costs.



**25 OTHER FUNDS (Continued)****Stranmillis Trust**

In 1986 the University College established a charitable trust which, in 1987, was incorporated under the Charities Act (NI) 1964 and named the Stranmillis College Charity Trust. The members are empowered by the deed to apply the income and such of the capital as they think fit to assist the advancement of the education and training of persons entering the University College where such persons have need of such assistance because of economic or other circumstances.

The value of the Trust as at 31 July 2013 was £18,095 (2012: £18,963). As the Trust is a separate legal entity it is not incorporated in the Balance Sheet of the University College.