

Stranmillis University College

A College of Queen's University Belfast.

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

ADVISORS

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GOVERNORS

The members of the Governing Body and its Committees during the year are set out in the table below.

Name	Appointed From Date	Term of Office	Status of Appointment	Committees Served
Professor Sir Desmond Rea OBE MSc(ECON) MBA PHD	13 May 2013	13 May 2017	Chair of the Governing Body	Chair of the HR and Remuneration Committee up to and including 15 February 2016; Member of HR and Remuneration Committee from 16 February 2016
E Jardine CB, MSc, BSc	1 August 2014	31 July 2018	Vice-Chair of the Governing Body	Chair of the Finance and General Purposes Committee; Member of the HR and Remuneration Committee
Dr A Heaslett BA MA D.Phil MSc FRSA	1 August 2007	For period of appointment	Principal and Chief Executive	None
Mrs C Moore BA, FCA	1 August 2014	31 July 2018	Member	Chair of the Audit and Risk Assurance Committee
Mrs S Madden	29 March 2013	31 March 2017	Member	Member of the Finance and General Purposes Committee; Member of the HR and Remuneration Committee
K Nelson BA, MBA, MSC, MIC, FCMI, CMGR	29 March 2013	31 March 2017	Member	Member of the Audit and Risk Assurance Committee
R Thompson MA, BA, DASE CertED	29 March 2013	31 March 2017	Member	Member of the Finance and General Purposes Committee; Chair of the Education Committee
Dr E Birnie MA, PhD	1 August 2014	31 July 2018	Member	Member of the Finance and General Purposes Committee
W Patterson BA, MBA, FCIPTD	1 August 2014	31 July 2018	Member	Member of the Finance and General Purposes Committee; Member of the HR and Remuneration Committee up to and including 15 February 2016; Chair of the HR and Remuneration Committee from 16 February 2016
Mrs E Huddleson BEd MSc	1 August 2014	31 July 2018	Member	Member of the Education Committee
R Hanna BEd MSc PGDip MSc	1 August 2014	31 July 2018	Member	Member of the Audit and Risk Assurance Committee
A Brown BEd, MSSc, FCIEA, FCoIT, FRSA	4 November 2014	3 November 2018	Teaching Staff Representative	None
Ms I Mercer BLS, ACLIP	1 October 2015	30 September 2019	Support Staff Representative	None
A Leahy	1 June 2015	31 May 2016	Student Representative	None
A Pollock	1 June 2016	31 May 2017	Student Representative	None

1. REPORT OF THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2016

Introduction

- 1.1 The Governing Body is pleased to present its report and the accounts of the University College for the year ended 31 July 2016.
- 1.2 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, Physical Activity and Sport), a Postgraduate Certificate in Education (PGCE) in early years education and a range of courses at Master's level.
- 1.3 The College also offers a range of short courses through its Lifelong Learning and Professional Development Programme.
- 1.4 Stranmillis University College was founded in 1922, for the purpose of providing teacher education in Northern Ireland. Whilst the core of the University College's work still relates to undergraduate and postgraduate programmes linked to teacher education, it is also a multi-professional institution. The College's portfolio has expanded to include the related professional fields of Early Childhood Studies and Health and Physical Education. These are innovative, multidisciplinary courses which complement teacher education. Over the years the College has also developed a vibrant international strategy and currently works with a significant number of overseas partners. The University College is developing a vibrant culture of scholarship and research related to the field of education. The University College achieved pleasing results in the 2014 Research Excellence Framework.
- 1.5 Stranmillis University College's vision, which was revised in 2014-15, is 'Leading innovative professional practice' and its mission, which was also revised, is 'to sustain a vibrant, inclusive learning community, educating, shaping and enriching society through excellence in teaching, scholarship and research.'
- 1.6 The University College was created as an incorporated institution by virtue of the Colleges of Education (NI) Order 2005 which received parliamentary approval on 19th July 2005. The Order was effective from 1 October 2005.
- 1.7 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, uniquely for a Higher Education Institution within the United Kingdom, being determined as a Non-Department Public Body (NDPB) with effect from 1 April 2012. As such, the Department for the Economy (DfE) (formerly the Department for Employment and Learning (DEL)) has sponsorship responsibility for the University College, the terms of which are set out in a Management Statement and Financial Memorandum, agreed with the Department and which is published on the University College's website. The Governing Body and Senior Management within the University College are committed to fulfilling the requirements within the Management Statement and Financial Memorandum.
- 1.8 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 2015, in accordance with Financial Reporting Standards (FRS102) and the Financial Memorandum between the Sponsoring Department and the University College (October 2015). This is the first year that the accounts have been prepared under the 2015 SORP and FRS102 and consequently the University College has applied the first time adoption requirements. An explanation of how the transition to the SORP has affected the reported financial position and financial performance of the University College is provided in Note 26.

Financial Results for the Year

- 1.9 The University College's Income, Expenditure and Results for the year to 31 July 2016 are summarised below:

	2016	2015
	£'000	£'000
Income	12,799	13,227
Expenditure	(12,630)	(13,377)
Operating Surplus/(Deficit)	<u>169</u>	<u>(150)</u>
Actuarial loss in respect of pension scheme	(2,740)	(474)
Total Comprehensive Expenditure	<u>(2,571)</u>	<u>(624)</u>

The impact of the adoption of the new SORP and FRS102 changed the result for the year to 31 July 2015 from the previously reported £263k Operating Surplus to an Operation Deficit of £150k as detailed in Note 26.

Income

- 1.10 Total income reduced by £428k or 3.2% compared with the previous year (2015 total income decreased by £1,008k or 7.1%). Funding Grants have increased by £122k or 2.0% (2015 – reduction of £113k or 1.8%) compared with the prior year but includes £226k (2015 – £nil) of Public Sector Transformation Funding to progress a Voluntary Exit Scheme during the year. Recurrent Grant funding received from the Sponsor Department has fallen by £139k or 3.2% compared with the previous year as a result of general funding cuts to the sector. Recurrent Grant funding of £4,241k (2015 - £4,380k) contributed 33.1% (2015 – 33.1%) of total income received in the year. Research funding received from the Sponsor Department increased by £9k or 17.8% compared with the previous year due to the successful performance by the College in the latest Research Excellence Framework exercise.
- 1.11 In interpreting income, readers should note that total Funding Grants includes £1,711k (2015 - £1,682k) of Deferred Capital Grants Released, which related to the matching depreciation charge both on the assets which were inherited by the University College on incorporation in 2005 or which have been grant funded since incorporation. The Deferred Capital Grants Released income therefore does not represent revenue funding actually received in the year from the Sponsor Department. The amounts released represent some 13.4% (2015 – 12.7%) of amounts recorded as income in the year.
- 1.12 Tuition Fee income increased by £215k or 6% in the year (2015 – increase of £122k or 3.5%). Full-time equivalent student numbers increased by 23 or 2.3% (2015 – increase by 31 or 3%). Full time tuition fee income increased by £155k or 5.1% (2015 - £109k or 3.7%) with an increase of 22 full time students along with a 3.3% inflationary impact of the tuition fee increase over the year. 10 full time students were enrolled on the new International PGCE as part of a new tripartite partnership with Tenby Schools in Malaysia and Queen's University Belfast compared with only 6 in the previous year. Part time tuition fees increased by £59k or 11.7% compared with the previous year. Total Tuition Fee income contributed 29.6% (2015 – 27.0%) of Total Income. Tuition fee income also includes fees earned as a result of the Institute for Study Abroad partnership.
- 1.13 Halls of Residence, Catering, Conferencing, Rental and Room Hire income, under the management of the Hospitality Services Department, contributed £2,272k or 17.8% of total income in the year (2015 - £2,098k or 15.9% of total income), an increase of £174k and 8.3%. This steady performance

represents a continuance of the very positive results that have been achieved in recent years despite the challenging economic climate.

- 1.14 Sundry Other Income has reduced by 6.4% to £233k in the year. This is as a result of reduced level of income due to smaller numbers involved in the College's innovative Joint Graduate Internship Programme funded by a leading children's charity and delivered in partnership with schools in Tullycarnet and Newtownabbey. Successful graduating student transition to full-time employment reduced the pool of newly graduated students available for taking up Internship positions in 2015 and 2016. Lifelong Learning income has remained stable whilst a 30% increase in Continuing Professional Development income was experienced in the year.

Major Project Income

- 1.15 No Major Project Income was recognised in the current year as a result of the ending of the SEN Literacy Project in March 2015 which contributed £955k of income in the previous year. Opportunities for attracting further Major Project Income will continue to be sought.
- 1.16 Some 21.3% (2015 – 26.4%) of total income in the year was derived from sources other than Sponsoring Department 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 core government funding

Expenditure

- 1.17 Expenditure reduced by 5.6% in the 2015/16 year compared with 1.9% in the previous year.
- 1.18 After adjusting for the impact of FRS102 pension adjustments, staff costs decreased by £771k or 10.1% which is largely due to the first full year with no associated SEN Literacy major project staff costs (2015 - £726k). The College paid out £225,700 during the year under the 2015/2016 Public Sector Transformation Fund (PSTF) Voluntary Exit Scheme. However, this was funded by the Sponsoring Department and thus the same amount has been disclosed under Funding Grants income. The College funded £316,840 in the 2014/15 year in relation to the College Voluntary Redundancy Scheme. The departure of staff under the PSTF Voluntary Exit Scheme largely explains the reduction of 10 in the average staff numbers employed during the year. Overall, unadjusted staff costs represented 55.8% (2015 – 58.1%) of total expenditure which is below the Northern Ireland HE sector average (as reported by the Higher Education Statistics Agency – staff costs in 2014-15 represented 58.3% of total expenditure).
- 1.19 Other Operating Expenditure decreased by £86k or 2.4% on the previous year (2015 reduced by £728k and 17%). The most significant change in expenditure over the year was due to reduced Hospitality Services operating costs by £83k reflecting lower spend on Energy and Water charges and Maintenance and Repairs/Refurbishment in the year. There has been a continuation of a rolling programme of investment in upgrading Halls accommodation in the year with the final halls of residence being refurbished. Other costs have increased by £71k on the previous year due to increases in repairs and maintenance costs, contract cleaning and fixtures and fittings replacement. Costs have also increased by £72k in relation to purchase, hire and repair of equipment largely due to a number of new PCs being purchased during the year as part of the regular IT refresh. Reduced expenditure was incurred on energy and bursary costs which was offset by higher spend on more focussed Widening Participation projects. The University College also supported the operating costs of the University College Students' Union during the year by making a £10k grant.
- 1.20 Depreciation, which represented 15.5% (2015 – 14.1%) of total expenditure, is very high for the sector and reflects the transfer of the land and buildings of the campus on incorporation in 2005 and the treatment of grant funded additions since incorporation. Off-setting the related Deferred Capital Grant

Release within Funding Grants Income, as detailed above, the net depreciation charge in the year was £244k (2015 - £206k).

- 1.21 Included within the Statement of Comprehensive Income and Expenditure is a charge of £322k (2015 - £279k) relating to the FRS102 accounting adjustment required as a result of annual actuarial valuation of the NILGOSC pension scheme.
- 1.22 The reported operating surplus of £169k (restated for 2015 – deficit £150k) for the year represents 1.3% of income (2015 – -1.1%) and this reflects the Governing Body’s 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.
- 1.23 Under FRS102 there is now a requirement to show the actuarial loss/gain on the movement of the defined benefit pension scheme at the foot of the Statement of Comprehensive Income and Expenditure. Under FRS102 the actuarial loss in respect of the pension scheme is £2,740k for 2016 compared with £474k in 2015.
- 1.24 The 2015 comparatives have been restated in these financial statements to take account of the transition adjustments to FRS102. The effect of transition on the 2015 comparatives has resulted in a change from an Operating Surplus of £263k under 2007 SORP to a deficit of £150k under the 2015 SORP. This change is due to two new requirements under FRS102 in relation to the disclosure of the defined benefit pension scheme and the requirement to now include a holiday pay accrual within the accounts. The full effect of transition has been disclosed in Note 26.

Cash Flow

- 1.25 The cash flow statement shows a net increase in cash of £113,314 (2015 – reduction of £77k).

Statement of Financial Position

- 1.26 Overall the Statement of Financial Position shows a Net Deficit position of £1.397M (2015 – Net assets of £1.173M). This swing has resulted from a significant increase in the Pension Reserve in the current year to £7.896M compared with £4.834M in the previous year. Despite funding some further capital projects during the year, cash holdings and short term deposits also remain strong at £3.2M (2015 - £3.1M). It is expected, however, that cash holdings will reduce over the coming year with further planned investment in infrastructure improvements in line with the College’s Estates Strategy as detailed below. However, it should be noted that Reserves, excluding Pension Reserve, increased by £491k in the year to £6.499M (2015 - £6.007M). These Reserves have continued to be strengthened by what are effectively operating surpluses, excluding the impact of pension scheme adjustments.

Capital Investment

- 1.27 During the year the University College invested £1.31M in building works (2015 - £3.68M). The main works undertaken in the year include the refurbishment to the Central Building foyer (£604k), completion of a second phase of works to replace windows and fire escape and to re-clad the Refectory Building (£247k) and the commencement of a final phase of refurbishment works to Stranmillis House (£289k). The contractor responsible for the refurbishment of the Refectory Building won the Fit Out category of the Northern Ireland Construction Excellence Awards at a ceremony in October 2016 for the work carried out on the building. The University College continues to invest its Sponsoring Department’s capital allocation in schemes which enhance the teaching and learning environment for staff and students.

- 1.28 In the year the University College received Sponsoring Department capital grants of £617k (2015 - £2,922k) including funding relating to the Central Building Foyer refurbishment (£497k) and the second phase of works to the Refectory Building (£111k).

Future Developments

- 1.29 The University College has continued to receive more significant levels of recurring Sponsoring Department capital funding than was previously the case.
- 1.30 It is expected that this trend will continue and indeed further significant refurbishment projects on campus will continue with Sponsor Department funding in 2016-17. The University College's most recent Estates Strategy identifies planned works in 2016-17 to include the completion of the mechanical upgrade within Stranmillis House, and commencement of an upgrade in the University College's sports facilities. It is hoped that some of these works will be partially funded by the Sponsoring Department as the University College awaits confirmation of availability of and scale of capital funding beyond March 2017.
- 1.31 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.

Prompt Payment

- 1.32 The Late Payments of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998 requires, 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 HM Treasury for payment to suppliers within 30 days is 95%.
- 1.33 During the accounting period 1 August 2015 - 31 July 2016, the University College paid 96% of its invoices within 30 days (2015: 98%). The University College incurred no interest charges in respect of late payment for this period.
- 1.34 The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2015 - 31 July 2016, the University College paid 84% of its invoices within 10 days (2015: 82%).

Principal Risks and Uncertainties

- 1.35 Outlined in the Governance Statement in the Table at Paragraph 2.33, is a description of the principal risk factors that may impact on the achievement of the corporate objectives set out in the University College's Corporate Plan 2015-18. These embrace the Principal Risks and Uncertainties identified in the paragraphs below, principally through the additional actions being taken to manage Risks 3 and 4. It should be noted in this respect that not all the factors are within the University College's control. Other factors besides those listed below may also adversely affect the University College.
- 1.36 There are considerable budget constraints across NI Departments currently and consequential budget constraints in relation to Teacher Education; these pose further consequential challenges for the Sponsoring Department and in particular for Higher Education, including the University College in relation to the delivery of its strategic vision.
- 1.37 Further uncertainty exists over the extent to which public subvention in respect of Student Fees will play out in relation to the negative financial position of Higher Education in Northern Ireland already referred to above.

- 1.38 There is also uncertainty in relation to how Brexit will be delivered and the impact on Higher Education, particularly in relation to EU funding streams for collaborative research projects and staff/student mobility between EU countries.
- 1.39 Aligned with budget constraints, there are also ongoing uncertainties in relation to the continuing review of Initial Teacher Education (ITE) structures in Northern Ireland.
- 1.40 Forthcoming changes in the policy environment in relation to the Teaching Excellence Framework and the new Operating Framework for Quality Assessment also mean that the University College is continuing to operate in a challenging and changing Public Policy environment.
- 1.41 As outlined in more detail in the Governance Statement, a Risk Register is maintained at Corporate level which is reviewed at meetings of the Governing Body and the Audit and Risk Assurance Committee. Risks are also considered by the Finance and General Purposes Committee, the Education Committee and the HR and Remuneration Committee. The Risk Register identifies the key risks facing the University College, 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. Risk Registers are also maintained in key operational areas within the College and this is supported by the provision of Risk Management coaching and awareness. All information on risks is published internally and staff are encouraged to review the Risk Registers on a regular basis in line with the University College's Risk Management Policy.

Stakeholder Relationships

- 1.42 In line with other University Colleges, the University College has many stakeholders. These include staff, students, the Department for the Economy and the Department of Education, other education institutions, trade unions and professional bodies as well as private sector employers and the voluntary and community sector.
- 1.43 The University College recognises the importance of these relationships and engages in regular communication with them through the University College internet site, by meetings and via representation on various external organisations stakeholder groups, committees etc. The University College considers good communication with its staff and its stakeholders to be very important and has developed a Communications Strategy to ensure continuous improvement in this area. The University College also encourages staff and student involvement through a range of fora, including through membership of the Governing Body.

Equal Opportunities and Employment of Disabled Persons

- 1.44 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.
- 1.45 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,

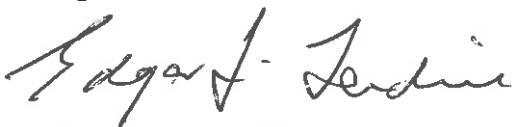
political opinion or racial group. The University College has included the promotion of good relations as part of the corporate planning process.

- 1.46 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.

Diversity and Equality Statement

- 1.47 With respect to its student body and staffing the University College is committed to developing an environment that is inclusive, fair, open and welcoming of individuals from all community backgrounds, all ethnic groups in Northern Ireland and people with disabilities. Diversity is embraced as a key value within the University College and equality is recognised, encouraged, promoted and valued at all levels of the organisation and in all its functions.
- 1.48 Recent years have seen significant alterations to help make the campus buildings more accessible for persons with a disability. Improvements are on-going to further improve physical access and provide additional technologies and support students with a disability including those suffering from dyslexia. The University College will ensure that every effort is made to meet the support needs of its key stakeholders.

Edgar Jardine



Vice-Chairman: 29th November 2016

2 GOVERNANCE STATEMENT

- 2.1 As the Governing Body of Stranmillis University College, together with the Principal as Accounting Officer, 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 of Government and the Management Statement and Financial Memorandum agreed with the Sponsor Department.
- 2.2 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.
- 2.3 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 effectively, efficiently and economically. This process has been in place for the period ended 31 July 2016 and up to the date of approval of the financial statements, and accords with HEFCE guidance and guidance in the Orange Book, published by HM Treasury.
- 2.4 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 the 'Corporate Governance in Central Government Departments (NI): Code of Good Practice (the Code) issued by the Department of Finance and Personnel (DFP) (now the Department of Finance (DoF)) in 2013; and the Higher Education Code of Governance, published by the Committee of University Chairs in December 2014.
- 2.5 Throughout the period ended 31 July 2016, the University College has been in compliance with the provisions of the Code insofar as they relate to the College. The University College also substantially complies with the Higher Education Code of Governance. This was confirmed in an Internal Audit Review of Corporate Governance in the College in 2015-16, in which 'Substantial Assurance' was awarded. Following a further internal review against the Higher Education Code of Governance in September 2016, actions will be taken to strengthen further the University College's Governance arrangements across a range of areas, including for example, Data Quality and Equality and Diversity reporting.

Composition of the Governing Body

- 2.6 The Governing Body comprises 10 lay members, a student representative and two staff representatives, all of whom are appointed by the Sponsor Department. The roles of Chair and Vice-Chair of the Governing Body are separated from the role of the College's Principal, and Chief Executive, who is also a member of the Governing Body.

Allocation of Responsibilities

- 2.7 The Principal and Chief Executive, as Designated Accounting Officer for the University College has allocated responsibilities amongst the Vice-Principal and three Directors in the College, while retaining overall responsibility for propriety and regularity, prudent and economical administration of the College, avoidance of waste and extravagance, ensuring value for money, effective and efficient use of available resources, organisation, staffing and management.

Operational Committees

- 2.8 The Principal and Chief Executive has established a number of operational committees to support good governance in the University College:
- A Corporate Planning Team, which assists the Principal and Chief Executive in developing the core corporate services and associated Business Plan to support the delivery of the University College's Mission and Vision as articulated in the Corporate Plan which has been approved by the Governing Body; and
 - An Academic Planning Team to assist the Principal and Chief Executive and senior staff in developing and implementing the Annual Business Plan to support the College's Mission and Vision.
- 2.9 During 2016-17, the Principal and Chief Executive will be reviewing the Academic Governance arrangements and Operational Committee structures within the University College to ensure that the arrangements which are currently in place continue to meet their intended aims.

Governing Body Operating Framework

- 2.10 The Governing Body has established an Operating Framework, which sets out its role and responsibilities for the ongoing strategic direction of the University College, the monitoring of an annual Business Plan, approval of major developments and the receipt of regular reports from the Principal and Chief Executive and senior management on the day-to-day operations of its business.
- 2.11 The University College subscribes to the principles of public life and has adopted a Code of Conduct for members of the Governing Body. A Register of Interests is maintained and updated on a regular basis and is published on the University College Website for the information of staff and the public. Declaration of Conflicts of Interest is a standing Agenda Item for all meetings of the Governing Body and its Committees and these are handled on a case-by-case basis as outlined in the Operating Framework and Terms of Reference for each Committee.

Governing Body Meetings and Attendance

- 2.12 During 2015-16, the Governing Body met on 5 occasions. Attendance at meetings was as follows:

Date	Number in Attendance out of 14
15 September 2015	11
1 December 2015	11
16 February 2016	11
12 April 2016	10
14 June 2016	10

- 2.13 A broad range of business was considered by the Governing Body in keeping with the Instrument and Articles of Government for the College and the Governing Body's Operating Framework and Annual Work Plan. This included amongst other matters:
- Corporate Planning, Monitoring and Reporting;
 - Corporate Risks and Risk Management Policy and Strategy, including a review of the College's Corporate Risks/Risk Appetite during a workshop in April 2016;

- Corporate Finance monitoring and the Annual Financial Statements and Audit Findings;
- Academic and Operational Policies and Strategies ; and
- Staffing, including recruitment and Promotion, salary and Redundancy arrangements.

2.14 The Governing Body also considered its composition, skills and experience during 2015-16, as well as the role of staff and student representatives on the Governing Body. A more comprehensive review of the Governing Body's effectiveness will be considered during 2016-17. A review will also be undertaken of the Governing Body's Operating Framework, Standing Orders and the Terms of Reference and Membership of the following Governing Body Committees:

- Education Committee;
- HR and Remuneration Committee;
- Finance and General Purposes Committee;
- Audit and Risk Assurance Committee.

2.15 All Committees comprise Non-Executive members of the Governing Body and have been established to support and advise the Governing Body on matters relating to its full range of responsibilities.

Operation of Governing Body Committees

Education Committee

2.16 During 2015-16, the Education Committee, comprising two Members, met on 4 occasions. All meetings were quorate, with two members available for each meeting. The Committee fulfilled its core work programme, which included consideration of:

- statistical analysis of data from various surveys;
- annual reports on academic plans and programmes;
- Child Protection and Safeguarding Policy;
- Degree Enhancement Policy;
- Social Media Policies for staff and students
- Shared Education Policy
- International Strategy;
- Teaching and Learning Strategy;
- Scholarship and Research Reports;
- presentations on Early Childhood and Early Years Education, Health, Physical Education and Physical Literacy, Widening Participation with a focus on encouraging males into teaching, Lifelong Learning and developments in the area of STEM.

2.17 The Committee also routinely considered whether there were any risks emerging from discussions that would need to be reflected in the Corporate Risk Register.

HR and Remuneration Committee

- 2.18 The HR and Remuneration Committee met on 3 occasions during the year in line with its Terms of Reference. All meetings were quorate and were attended as follows:

Date	Number in attendance out of 4
20 October 2015	4
16 February 2016	4
14 June 2016	3

- 2.19 During the year the Committee considered:

- a range of staffing matters and recruitment/promotion, Redundancy and Voluntary Exit proposals referred to it by Senior Management;
- performance reports and key targets for Senior Management;
- the outcome of the Senior Staff Salary and Pay Policy Review
- the Academic Promotion Policy;
- the Disciplinary Policy and Procedures;
- Shared Parental Leave Policy;
- Industrial Relations Papers;
- the NILGOSC Discretionary Policy Statement;
- People Strategy and Action Plan;
- Fair Employment Monitoring Report; and
- proposed staff Consultation Forum arrangements.

- 2.20 The Committee also considered any risks emerging from the business discussed during the year.

Finance and General Purposes Committee

- 2.21 During 2015-16, the Finance and General Purposes Committee met on 4 occasions in line with its Terms of reference. All meetings were quorate and attendance was as follows:

Date	Number in attendance out of 5
8 October 2015	5
24 November 2015	4
22 March 2016	5
24 May 2016	4

- 2.22 At each meeting the Committee considered a detailed Finance Report, including the management accounts, procurement activity and any associated issues, including contract issues and progress on the development of Business Continuity Plans as well as updates on the College's Estates Strategy. The Committee also received regular updates on the review of the Management Statement and Financial Memorandum between the University College and the Sponsoring Department. This document was finalised during 2015-16.

2.23 Consideration was also given during the year to:

- the College Budget, Halls Fees and end of year Financial Statements, before these were formally submitted to the Governing Body;
- a range of Policies, Strategies and other initiatives, including Treasury Management Policy and Gifts and Hospitality Policy;
- the University College's Pension arrangements;
- Voluntary Exit recommendations;
- the University college Annual Report and progress against business plan targets;

Audit and Risk Assurance Committee

2.24 The Audit and Risk Assurance Committee, comprising 3 Non-Executive members held 4 meetings during the year in line with its Terms of Reference. There was full attendance at all meetings as follows:

Date	Number in attendance out of 3
24 September 2015	3
26 November 2015	3
25 February 2016	3
2 June 2016	3

2.25 The Committee operated in accordance with the Audit and Risk Assurance Committee Handbook NI, issued by the Department of Finance and Personnel (now the Department of Finance).

2.26 The Committee considered detailed reports from senior management and the Internal and External Auditors on the University College's systems of internal control and governance and monitored progress on the implementation of recommendations for improvements in internal controls. Specific business included:

- the agreement of Audit Plans for 2015-16;
- the Audit Recommendations Monitoring Schedule;
- Prompt Payment Statistics;
- Use of Purchasing Cards;
- monitoring of Direct Award Contracts;
- Progress in rolling out the College's Risk Management arrangements to operational level;
- a review of the College's Financial and Assurance Statements, Audit Findings and Governance Statement in respect of the year 2014-15;
- review of controls in relation to third party service dependencies;
- a lessons learned report in relation to Post Project Evaluations on large projects;
- a review of the resources required in the finance Department to manage the additional activities associated with the College's Non-Departmental Public Body (NDPB) status;
- Review of the Freedom of Information Annual Report, Annual Fraud Return, and a report on Whistleblowing as well as a report on benchmarking against 'Managing Fraud and Risk in a Changing Environment'; and
- consideration of policies on Treasury Management and Business Continuity Planning.

- 2.27 The Committee also reviewed a number of Advisory Reports from Internal Audit, including a report on the University College's new Treasury Management Policy. The policy document was benchmarked against the CIPFA Treasury Management in the Public Services Code of Practice and Cross-Sector Guidance Notes. The Report concluded that the University College's arrangements stood up well when compared to the Best Practice.
- 2.28 In the Committee's annual report to the Governing Body, the Chair of the Committee concluded that based on the assurances received from Internal and External Audit in respect of 2015-16, the Committee was satisfied that the University College's arrangements for corporate governance and internal control and risk management are basically sound.
- 2.29 Before the main meeting on 2 June 2016, the Audit and Risk Assurance Committee held its annual meeting with Internal Audit at which matters of mutual interest were discussed. A meeting also took place with Internal and External Audit in advance of the main meeting to discuss the University College's Financial and Assurance Statements, Audit Findings and Governance Statement in respect of the year 2015-16.
- 2.30 The Committee also conducted a review of its effectiveness on 2 June 2016; using the National Audit Office Checklist as a benchmarking tool for the review. Following the Committee's Review against the Checklist in 2014-15, a range of actions were taken to improve the effectiveness of the Committee, including amongst other matters, training for all Committee Members.
- 2.31 A number of actions will be taken forward in 2016-17 to further improve the effectiveness of the Committee, such as obtaining advice from Internal Audit on the effectiveness of the University College's Anti-Fraud and Bribery Policy; and seeking a formal consultation plan between the College's new Internal Auditors – PwC and the University College's External Auditors. In summary, the Committee was satisfied that it effectively supports the Governing Body and Accounting Officer; it reviews its performance on an annual basis; and is suitably independent and objective.

Quality of Data

- 2.32 The Governing Body is satisfied that comprehensive arrangements are in place within the University College to ensure that quality information is received by the Governing Body to enable it to make informed decisions. Strategic issues reserved for the Governing Body's attention are scheduled in an annual work plan and a categorised agenda is drawn up for each meeting. There are internal controls to validate accuracy and completeness of information presented to the Governing Body; detailed minutes record the business carried out and action agreed. In addition, the Audit and Risk Assurance Committee provides a challenge function which helps to ensure that emerging issues are highlighted and brought to the attention of the Governing Body. Assurance on Data Quality is also provided through the work of Internal and External Audit and validation of student data for example, is provided through the submission and review of HESA returns.

College Risk Profile and Assessment of Risks

2.33 The Governing Body and its Committees, considered risks facing the University College at meetings during 2015-16. A Risk Workshop, which was attended by Governing Body Members and key staff in the University College was also held during the year to review the Corporate Risk profile. As a result, the Corporate Risk Register was revised as set out in the following table:

Risk Number	Risk	Inherent Assessment	Residual Assessment
1	The absence of coherent Teaching and Learning Strategies which put Students (including International Students) at the heart of developing practice in the University college will impact the delivery of high quality outcomes for Students; undermining the University College's reputation and impacting income generation.		
2	Failure to keep abreast of developments and plan for entry to the Research Excellence Framework (REF) 2020 exercise in advance of receipt of the agreed criteria may result in the University College not being in a sufficiently strong position to make a credible submission by 31 December 2019, ultimately impacting on the reputational standing of the University College.		
3	Failure to have a comprehensive and coherent strategy in place for expansion and delivery of International Programmes will have a major impact on the sustainability of International Development within the University College and its contribution to Income Generation, development of wider Partnerships internationally and student experience opportunities.		
4	The absence of a coherent strategy for further developing the capacity of the University College to generate its own income will impact sustainability of the University College's current business model.		
5	Failure to protect and guard against loss or inappropriate access to personal and sensitive information within the University College, including from the risk of cyber-attack, could have a major impact on the University College, both reputationally and financially.		
6	Failure to have the right people in the right place at the right time will impact on the delivery of the Corporate Plan.		
7	Failure to have a comprehensive, integrated communications platform will impact communication and opportunities for teaching and learning.		

- 2.34 A further Risk Workshop is planned for 2016-17, to consider the risk profile at both corporate and operational level within the University College. This will include benchmarking against Higher Education sector risk profiles as well as consideration of the risk of fraud.
- 2.35 Assurance was provided to the Governing Body by Senior Management throughout the year that all risks were being appropriately managed and controlled and that further actions to manage risks to an appropriate level were continuously being considered.

Data Security

- 2.36 The University College is responsible for processing and storing personal and sensitive information and is committed to ensuring that all information assets are managed lawfully and securely. A substantial body of work commenced during 2015-16 to strengthen the University College's information asset management arrangements, including the establishment of an Information Asset Register and the development of formal policies on Records Management, Information Security, and Information Security Reporting. A Best Practice Guide and Information Asset Owner Handbook for staff are also nearing completion. There were no reports during the year of any significant data losses.

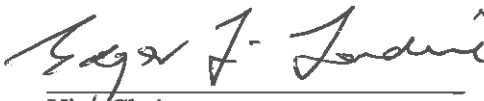
Conclusion

- 2.37 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. Internal Audit also complies with Public Sector Internal Audit Standards. 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 2015-16 programme of internal audit reviews.
- 2.38 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.
- 2.39 We are satisfied that the University College has an effective governance structure and is operating to a high standard of integrity and probity. In signing this Governance Statement, we have taken assurances from the Audit and Risk Assurance Committee, which will continue to monitor Audit recommendations to ensure that all issues are addressed in a timely manner.

Dr A Heaslett


Principal and Chief Executive
29th November 2016

Edgar Jardine


Vice-Chairman
29th November 2016

3 STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY

- 3.1 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.
- 3.2 Within the terms and conditions of the Financial Memorandum agreed between the Sponsoring Department and the Governing Body of the University College, the Governing Body, through its Chair, 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.
- 3.3 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.
- 3.4 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.
- 3.5 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.
- 3.6 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.
- 3.7 The Governing Body has taken reasonable steps to:
- ensure that funds from the Sponsoring Department are used only for the purposes for which they have been given and in accordance with the Financial Memorandum agreed with the Sponsoring Department and other conditions which the Sponsoring 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.

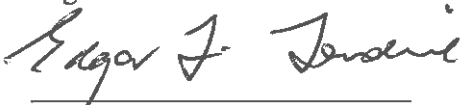
Disclosure of Information to Auditors

3.8 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:

Edgar Jardine



Vice-Chairman: 29th November 2016

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 2016 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, the Statement of Financial Position, the Cash Flow Statement 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Governing Body, as a body, in accordance with the Financial Memorandum with the Sponsoring Department. 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 is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with Financial Memorandum with the Sponsoring Department.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2016 and of its deficit for the year then ended
- have been properly prepared in accordance in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters prescribed by Financial Memorandum with the Sponsoring Department

In our opinion, in all material respects:

- income from the Sponsoring Department, grants and income for specific purposes and from other restricted funds administered by the College during the year ended 31 July 2016 have been applied for the purposes for which they were received; and
- income during the year ended 31 July 2016 has been applied in accordance with the College's statutes and, where appropriate, with the Financial Memorandum with the Sponsoring Department.

Matter on which we are required to report by exception

We have nothing to report in respect of the following matter where the Financial Memorandum requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of senior management specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Statement of Internal Control is inconsistent with our knowledge of the College.

Grant Thornton NI LLP

Grant Thornton (NI) LLP
Statutory Auditor, Chartered Accountants
BELFAST
29 November 2016

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

For the Year Ended 31 July 2016

		2016 £	<i>Restated</i> 2015 £
Income	NOTE		
Funding Grants	(2)	6,285,576	6,163,964
Tuition Fees	(3)	3,787,503	3,572,684
Research Grants and Contracts	(4)	197,684	169,869
Other Operating Income	(6)	2,505,132	3,301,577
Interest Receivable		23,225	19,239
Total Income		<u>12,799,120</u>	<u>13,227,333</u>
Expenditure			
Staff Costs	(7) & (8)	7,042,522	7,774,956
Other Operating Expenditure	(10)	3,472,531	3,558,271
Depreciation	(12)	1,954,570	1,888,065
Interest Payable		160,000	156,000
Total Expenditure		<u>12,629,623</u>	<u>13,377,292</u>
Operating Surplus/(Deficit) before tax		<u>169,497</u>	<u>(149,959)</u>
Taxation		-	-
Operating Surplus/(Deficit) after tax		<u>169,497</u>	<u>(149,959)</u>
Actuarial loss in respect of pension scheme	(18)	(2,740,000)	(474,000)
Total comprehensive expenditure for the year	(18)	<u>(2,570,503)</u>	<u>(623,959)</u>

All amounts above relate to the continuing operations of the University College.

STATEMENT OF CHANGES IN RESERVES

Reconciliation			
Opening Reserves		1,173,185	1,797,144
Total Recognised Losses for the year		(2,570,503)	(623,959)
Closing Reserves	(18)	<u>(1,397,318)</u>	<u>1,173,185</u>

The notes on pages 27 to 45 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 July 2016

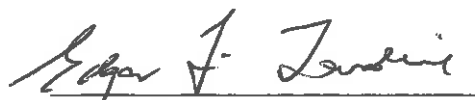
	Note	2016 £	<i>Restated</i> 2015 £
Tangible Assets	(12)	53,511,768	54,155,121
Total Fixed Assets		<u>53,511,768</u>	<u>54,155,121</u>
Trade and other receivables	(13)	145,272	435,689
Short Term Deposits	(19)	2,250,000	2,000,000
Cash at Bank and in Hand	(19)	963,863	1,100,549
Total Current Assets		<u>3,359,135</u>	<u>3,536,238</u>
Less: Bank overdraft		-	-
Creditors – amounts falling within one year	(14)	<u>(3,148,974)</u>	<u>(3,335,936)</u>
Net Current Assets		<u>210,161</u>	<u>200,302</u>
Total Assets less Current Liabilities		53,721,929	54,355,423
Less: Creditors – Amounts falling due after more than one year	(15)	(47,223,247)	(48,348,238)
Less: Provisions for Liabilities and Charges	(16)	(7,896,000)	(4,834,000)
NET ASSETS		<u>(1,397,318)</u>	<u>1,173,185</u>
Reserves	(18)	6,498,682	6,007,185
Pension Reserve	(18)	(7,896,000)	(4,834,000)
TOTAL FUNDS		<u>(1,397,318)</u>	<u>1,173,185</u>

The financial statements on pages 27 to 45 were approved by the Governing Body on 29th November 2016 and were signed on its behalf by:

Dr A Heaslett


Principal and Chief Executive
29th November 2016

Edgar Jardine


Vice-Chairman
29th November 2016

The notes on pages 27 to 45 form part of these financial statements.

CASH FLOW STATEMENT
For the Year Ended 31 July 2016

	2016	<i>Restated</i>
	£	2015
	£	£
Note		
Comprehensive Expenditure for the year	(2,570,503)	(623,959)
Adjustments for Non-Cash Items		
Depreciation (12)	1,954,570	1,888,065
Decrease in Debtors (13)	290,417	440,559
Decrease in Creditors (14)	(217,716)	(56,881)
Increase in Pension Provision (16)	3,062,000	753,000
Adjustments for Investing or Financing Activities		
Investment Income	(23,225)	(19,239)
Interest Payable	160,000	156,000
Capital Grant Income Released (2)	(1,710,852)	(1,682,021)
Net Cash Inflow From Operating Activities	<u>944,691</u>	<u>855,524</u>
Cash Flows From Investing Activities		
Investment Income	23,225	19,239
Capital Grants Received	616,615	2,922,387
Payments Made to Acquire Fixed Assets (12)	(1,311,217)	(3,718,017)
Cash Flows from Financing Activities		
Interest Paid	(160,000)	(156,000)
Increase/(Decrease) in Cash and Cash Equivalents	<u>113,314</u>	<u>(76,867)</u>
Net Funds at 1 August (19)	3,100,549	3,177,416
Net Funds at 31 July	<u>3,213,863</u>	<u>3,100,549</u>

The notes on pages 27 to 45 form part of these financial statements.

NOTES TO THE ACCOUNTS
For the year to 31 July 2016

1 STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

(a) Format of Accounts

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 2015, in accordance with Financial Reporting Standards (FRS102) and the Financial Memorandum between the Department and the University College (October 2015). This is the first year that the accounts have been prepared under the 2015 SORP and FRS102. Details of changes arising due to the transition are included at note 26.

(b) 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.

(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 is credited to the income and expenditure account in the period in which it is earned.

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

(d) Capital Grants

Non-recurrent grants from the Sponsoring Department received in respect of the acquisition of fixed assets are recognised in income over the expected useful life of the asset.

(e) Pension Schemes

The two principal pension schemes for the college's staff are the Northern Ireland Teacher's Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes, which are externally funded and contracted out of the State Earnings-Related Pension Scheme. Payments are made to the Northern Ireland Teachers Pension Scheme (NITPS) for academic staff and to the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC) for non-academic staff. These are both independently administered schemes.

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

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

The difference between the fair value of the assets held in the college's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the college's Statement of Financial Position as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the college is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the college are charged to the Statement of Comprehensive Income.

From April 2015 the employer contribution for the Northern Ireland Teachers Pension Scheme increased to 17.7% and will remain at this rate for the 2016 - 17 financial year. A full actuarial review of the Northern Ireland Teachers Pension Scheme is currently in progress.

The NILGOSC Fund is valued every three years by an independent actuary. 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) 2015 scheme. Employer's contribution rates have remained at 20% throughout the financial year. A new valuation as at 31 March 2016 is currently in progress. The employer's contribution rates have not yet been finalised but it has been communicated that the Scheme may reduce employer's contribution % rate but also charge a set monetary amount in an effort to eliminate the current deficit on the scheme.

(f) Tangible Fixed Assets

Land and Buildings

Land and buildings inherited from the Sponsoring Department and buildings acquired since incorporation 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. 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 deferred income and are released to the Statement of Comprehensive Income and Expenditure 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.

Equipment & Motor Vehicles

Equipment costing less than £10,000 per individual item is written off to the Statement of Comprehensive Income and Expenditure 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 – 3 - 5 years;
- Computer equipment – 3 years;
- Furniture and fittings – 5 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 deferred income and released to the Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related equipment.

(g) Maintenance of Premises

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

(j) Liquid Resources

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

(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.

(l) Transition to 2015 SORP

The College is preparing its financial statements in accordance with FRS102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the transition to the 2015 SORP has affected the reported financial position and financial performance of the College is provided in Note 26.

2 FUNDING GRANTS

The total received from the Sponsoring Department comprised:

	2016 £	2015 £
Recurrent Grant	4,241,007	4,379,863
Release of deferred capital grants	1,710,852	1,682,021
Widening Participation	50,634	53,383
Research Funding	57,383	48,697
PSTF Voluntary Exit Scheme Funding	225,700	-
	6,285,576	6,163,964

3 TUITION FEES

Variable tuition fees were introduced with effect from 1 August 2006. The rate for 2015-16 was set at £3,805 for full-time students (2015: £3,685). No students were charged tuition fee under the pre 2006 funding regime in 2015-16.

	2016 £	2015 £
Full-time Students	3,221,270	3,065,914
Part-time Students	566,233	506,770
Total Fees paid by/on behalf of Students	3,787,503	3,572,684

4 RESEARCH GRANTS AND CONTRACTS

	2016 £	2015 £
UK Based Charities	39,368	31,093
European Commission	61,964	60,132
Other Grants and Contracts	96,352	78,644
Total	197,684	169,869

5 NUMBER OF STUDENTS

	2016	2015
BEd	552	543
PGCE	15	15
PGCE International	10	6
BA (ECS)	153	158
BSC (H&L)	113	99
TOTAL – FULL TIME	<u>843</u>	<u>821</u>

The University College continued to offer a range of courses at Master's and Certificate level attracting 141 students (2015: 167 students). In addition 151 students (2015: 125 students) undertook part-time undergraduate courses. This equated to 162 full time equivalent students (2015: 161 students) giving a total student population for the year of 1,005 (2015: 982 students).

6 OTHER OPERATING INCOME

	2016 £	2015 £
Residence and Catering Operations	2,057,399	1,882,040
Rents Receivable	37,224	33,348
Hire of Facilities	177,560	182,207
Major Projects	-	955,054
Sundry Other Income	232,949	248,928
	<u>2,505,132</u>	<u>3,301,577</u>

7 STAFF COSTS

	2016 £	2015 £
Wages and Salaries	5,486,532	6,289,259
Social Security Costs	423,630	430,127
Pension Costs	970,360	932,570
Other Pension Costs	162,000	123,000
	7,042,522	7,774,956
Staff Numbers	2016	2015
Lecturing Staff	43	48
Support Staff	135	140
	178	188

The amount paid under the 2015/2016 Public Sector Transformation Fund (PSTF) Voluntary Exit Scheme during the year amounted to £225,700 (2015 College Voluntary Redundancy Scheme: £316,840) which includes £67,832 (2015 College Voluntary Redundancy Scheme: £48,145) in relation to pension release costs incurred by the University College. The scheme was approved by the Governing Body during the course of the financial year. The total costs of £225,700 were funded by the Sponsoring Department through the PSTF Voluntary Exit Scheme as shown in Note 2.

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

	2016 £	2015 £
Teaching Departments	3,273,327	3,053,152
Teaching Support Services	160,676	145,597
Other Support Services	505,547	662,805
Admin and Central Support Services	1,133,702	1,103,978
Premises	751,214	904,060
Catering and Residences	887,731	935,755
Other Income Generating Activities	168,325	846,609
Other Pension Costs	162,000	123,000
	7,042,522	7,774,956

9 KEY MANAGEMENT PERSONNEL

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University College and are represented by the Corporate Planning Team which comprises the Principal and Chief Executive, Vice Principal, three Academic Directors (2015 – 2 Academic Directors), Heads of Finance, Estates, Human Resources, Hospitality Services and IT.

Emoluments of Key Management Personnel (including the Principal and Chief Executive) are as follows:

	2016 No.	2016 £	2015 No.	2015 £
Salary	10	552,226	9	522,196
Pension contributions		96,084		84,328
Total Emoluments		648,310		606,524

The above emoluments include amounts payable to the Principal and Chief Executive (who is the highest paid employee) of:

	2016 £	2015 £
Salary	97,111	95,729
Pension contributions	17,189	14,327
	114,300	110,056

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

10 OTHER OPERATING EXPENSES

	2016	2015
	£	£
Hospitality Services Operating Expenses	651,334	733,848
Course Consumables, Equipment & Field Trips	84,551	88,706
Purchase, Hire and Repair of Other Equipment	88,458	16,888
IT Maintenance Costs	32,765	28,783
Library Costs	95,841	97,477
Student Placements – Travel and Subsistence	808	1,254
Energy Costs	325,223	382,355
Rates and Insurance	400,553	378,150
Refurbishment, Maintenance & Cleaning	421,235	349,907
Telephone	37,377	36,144
Sundry Course Costs	63,837	84,565
Postage and Printing	89,465	94,884
Advertising and Recruitment	56,726	45,768
Validation Costs to QUB	341,000	339,770
External Examiner Costs	10,394	10,222
Auditors Remuneration in respect of:		
Internal Audit Services	12,760	11,704
External Audit Services	6,876	6,672
Other Audit Services	4,743	4,512
Other Professional Fees	64,514	50,649
Occupational Health Service	39,847	39,896
Staff Training and Development	54,774	60,172
Widening Participation & Bursary Costs	192,163	219,591
Research Project Costs	161,083	152,353
Equipment Replacement	1,211	5,951
Stationery	7,825	17,083
Publications & Subscriptions	68,417	75,413
Travel Costs	29,227	44,054
Other	129,524	181,500
	3,472,531	3,558,271

11 TAXATION

The University College did not incur any taxation liability during the period (2015: £Nil).

12 FIXED ASSETS

	Freehold Land and Buildings £	Equipment £	Vehicles £	Total £
Cost:				
1 August 2015	68,985,272	2,295,157	50,716	71,331,145
Additions	1,311,217	-	-	1,311,217
Disposals	-	-	-	-
31 July 2016	70,296,489	2,295,157	50,716	72,642,362
Depreciation:				
1 August 2015	14,867,958	2,295,157	12,909	17,176,024
Charge for the year	1,944,427	-	10,143	1,954,570
Disposals	-	-	-	-
31 July 2016	16,812,385	2,295,157	23,052	19,130,594
NBV 31 July 2016	53,484,104	-	27,664	53,511,768
NBV 31 July 2015	54,117,314	-	37,807	54,155,121
Inherited	40,339,210	-	-	40,339,210
Financed by Capital Grant	9,694,971	-	-	9,694,971
Other	3,449,923	-	27,664	3,477,587
NBV 31 July 2016	53,484,104	-	27,664	53,511,768

The book values at implementation have been retained. Land and buildings inherited from the Sponsoring Department 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 £50,034,181 (2015: £51,128,267) have been financed by exchequer funds. Prior approval is required from the Sponsoring Department if any of these assets were to be sold and the University College is required, under the terms of the Financial Memorandum with the Department, to surrender the proceeds.

13 DEBTORS DUE WITHIN ONE YEAR

	2016 £	2015 £
Debtors	69,958	174,784
Prepayments & Accrued Income	75,314	260,905
	<u>145,272</u>	<u>435,689</u>

14 CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2016 £	2015 £
Creditors and Accruals	971,107	1,175,076
Payments Received in Advance	30,952	40,377
Deferred Income – Capital Grants	1,710,852	1,680,098
Deferred Income – Other	185,770	182,108
Social Security and Other Tax Payable	250,293	258,277
	<u>3,148,974</u>	<u>3,335,936</u>

15 CREDITORS: AMOUNTS DUE AFTER ONE YEAR

	2016 £	2015 £
Deferred Income – Capital Grants	47,223,247	48,348,238
	<u>47,223,247</u>	<u>48,348,238</u>

16 PROVISIONS FOR LIABILITIES AND CHARGES

	2016 £	2015 £
Net Pension Liability	7,896,000	4,834,000
	<u>7,896,000</u>	<u>4,834,000</u>

17 DEFERRED CAPITAL GRANTS

	Sponsoring Department £	
Balance as at 1 August 2015		
Land and Buildings		50,028,336
Due for the year		
Land and Buildings		616,615
Disposals		-
Released to Statement of Comprehensive Income & Expenditure		
Land and Buildings		(1,710,852)
Balance as at 31 July 2015		<u>48,934,099</u>
Disclosed as:		
	2016	2015
	£	£
Creditors: Amounts due within one year		
Deferred Income – Capital (Note 14)	1,710,852	1,680,098
Creditors: Amounts due over one year		
Deferred Income – Capital (Note 15)	47,223,247	48,348,238
	<u>48,934,099</u>	<u>50,028,336</u>

18 STATEMENT OF MOVEMENT OF RESERVES

	Trust £	General £	Pension £	Capital £	Total £
Balance as at 1 August 2014	2,029	5,556,262	(4,081,000)	319,853	1,797,144
Retained Deficit	-	(623,959)	-	-	(623,959)
Actuarial loss on Pension Liability	-	474,000	(474,000)	-	-
Pension Reserve Transfer	-	279,000	(279,000)	-	-
Adjustment for Depreciation of University College Funded Assets	-	206,044	-	(206,044)	-
Balance as at 31 July 2015	2,029	5,891,347	(4,834,000)	113,809	1,173,185
Retained Deficit	-	(2,570,503)	-	-	(2,570,503)
Actuarial Gain on Pension Liability	-	2,740,000	(2,740,000)	-	-
Pension Reserve Transfer	-	322,000	(322,000)	-	-
Adjustment for Depreciation of University College Funded Assets	-	113,809	-	(113,809)	-
Balance as at 31 July 2016	2,029	6,496,653	(7,896,000)	-	(1,397,318)

The Trust Fund represents donations, the income from which is used to provide financial support to students not eligible to access the Sponsoring Department Student Support funding. The funds are maintained in separate identifiable assets and are stated at cost.

19 ANALYSIS OF CHANGES IN NET FUNDS

	31 July 2016 £	Cash Flow £	1 August 2015 £
Cash at Bank and in Hand	963,863	(136,686)	1,100,549
Short Term Deposits	2,250,000	250,000	2,000,000
	3,213,863	113,314	3,100,549

20 POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no material post Statement of Financial Position events.

21 PENSIONS

The University College's employees belong to two principal pension schemes, the Northern Ireland Teachers Pension Scheme (NITPS) and the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC). The total pension cost, excluding FRS102 entries for the period, was £970,590 (2015: £932,570). FRS102 adjustments in the year amounted to a charge of £162,000 (2015: £123,000).

Northern Ireland Teachers Pension Scheme (NITPS)

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 FRS102 NITPS 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 2016 was £653,685 (2015: £614,651) of which employer's contributions totalled £411,132 (2015: £357,535) and employees' contributions totalled £242,553 (2015: £257,116). The employer contribution rate is 17.7% with effect from 1 April 2015. Employee contributions are in a range between 7.4% and 11.7 % dependent on employee earnings.

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 2016 was £716,111 (2015: £747,357) of which employer's contributions totalled £559,458 (2015: £575,035) and employees' contributions totalled £156,653 (2015: £172,322).

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) 2015 scheme. Employer's contribution rates have remained at 20% throughout the financial year. A new valuation as at 31 March 2016 is currently in progress. The employer's contribution rates have not yet been finalised but it has been communicated that the Scheme may reduce employer's contribution % rate but also charge a set monetary amount in an effort to eliminate the current deficit on the scheme.

Under the definitions set out in FRS102, 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 FRS102.

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

	2016	2015
Pension Increase Rate	1.8%	2.0%
Salary Increase Rate	3.3%	3.5%
Discount Rate	2.3%	3.5%
RPI Inflation	2.9%	3.1%
CPI Inflation	1.8%	2.0%

The post-retirement mortality assumptions used to value the benefit obligation at 31 July 2016 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. These are summarised below:

	2016 Male years	2016 Female years	2015 Male years	2015 Female years
Current pensioners	22.3	24.8	22.2	24.7
Future pensioners	24.5	27.2	24.4	27.0

The fair value of the assets in the scheme were:

	Assets at 31 July 2016 £'000	Assets at 31 July 2015 £'000
Equities	13,054	11,792
Government Bonds	1,050	859
Corporate Bonds	1,086	955
Property	2,227	1,941
Cash	579	318
Other	109	48
Total	18,105	15,913

The above asset values as at 31 July 2016 are at bid value as required under FRS102.

The amounts recognised in the Statement of Financial Position are as follows:

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
Fair Value of Scheme Assets	18,105	15,913
Present Value of Scheme Liabilities	(26,001)	(20,747)
Net (Underfunding) in Funded Plan	(7,896)	(4,834)

Amount in the Statement of Financial Position

Liabilities	(7,896)	(4,834)
Assets	-	-
Net Pension Liability	(7,896)	(4,834)

The amounts charged to the Statement of Comprehensive Income and Expenditure are as follows:

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
Current Service Cost	653	657
Net Interest Cost	160	156
Past Service Cost	43	6
Curtailements and Settlements	-	-
Closing Balance	<u>856</u>	<u>819</u>
Actual Return on Plan Assets	1,982	1,457

Reconciliation of Defined Benefit Obligation:

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
Opening Defined Benefit Obligation	20,747	18,305
Current Service Cost	653	657
Past Service Costs	43	6
Interest Expense on Defined Benefit Obligation	721	744
Actuarial Losses	4,161	1,343
Contributions by Members	157	175
Impact of Settlements and Curtailements	-	-
Net Benefits Paid	(481)	(483)
Closing Balance	<u>26,001</u>	<u>20,747</u>

Reconciliation of Fair Value of Employers Assets:

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
Opening Fair Value of Employers Assets	15,913	14,224
Interest Income on Assets	561	588
Contributions by Members	157	175
Contributions by the Employer	534	540
Contributions in Respect of Unfunded Benefits	-	-
Actuarial Gains	1,421	869
Impact of Settlements and Curtailements	-	-
Estimated Unfunded Benefits Paid	-	-
Net Benefits Paid	(481)	(483)
Closing Balance	<u>18,105</u>	<u>15,913</u>

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

	2016	2015	2014	2013	2012
Present Value of Employers Assets	18,105	15,913	14,224	13,287	11,040
Present Value of Defined Benefit Obligation	(26,001)	(20,747)	(18,305)	(18,224)	(17,115)
Deficit on the Scheme	(7,896)	(4,834)	(4,081)	(4,937)	(6,075)

22 CAPITAL COMMITMENTS

	2016 £	2015 £
Commitments Contracted at 31 July	307,210	771,230
	<u>307,210</u>	<u>771,230</u>

The balance of monies due on refurbishment contracts relating to the final upgrade works to Stranmillis House, Central Building First Floor Foyer and Drama Theatre Dressing Rooms constitute this liability.

23 CONTINGENT LIABILITY

There were no contingent liabilities at the Statement of Financial Position 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 2016 £	Year Ended 31 July 2015 £
Opening Balance	3,729	3,121
Sponsor Department Grant	36,000	36,000
Bank Interest less Charges	5	4
Disbursed to Students	(34,500)	(34,925)
Audit Fees	(471)	(471)
Balance unspent at 31 July 2016	<u>4,763</u>	<u>3,729</u>

In the 2015/16 financial year the Sponsor Department allocated £36,000 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.

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 2016 was £17,098 (2015: £17,081). As the Trust is a separate legal entity it is not incorporated in the Statement of Financial Position of the University College.

26 TRANSITION TO FRS102 AND THE 2015 SORP

As explained in the accounting policies, these are the University College's first financial statements prepared in accordance with FRS102 and the 2015 SORP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 July 2016, the comparative information presented in these financial statements for the year ended 31 July 2015 and in the preparation of an opening FRS102 Statement of Financial Position at 1 August 2014. In preparing its FRS102 2015 SORP based Statement of Financial Position, the University College has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS102 and the 2015 SORP has affected the University College's financial position and financial performance is set out below.

FINANCIAL POSITION

	Trust	General	Pension	Capital	Total
	£	£	£	£	£
As at 1 August 2014:					
Total reserves under 2007 SORP	2,029	5,714,108	(4,081,000)	319,853	1,954,990
Holiday Pay accrual under FRS102	-	(157,846)	-	-	(157,846)
Total reserves under 2015 SORP	2,029	5,556,262	(4,081,000)	319,853	1,797,144
	Trust	General	Pension	Capital	Total
	£	£	£	£	£
As at 31 July 2015:					
Total reserves under 2007 SORP	2,029	6,076,820	(4,834,000)	113,809	1,358,658
Holiday Pay accrual under FRS102	-	(185,473)	-	-	(185,473)
Total reserves under 2015 SORP	2,029	5,891,347	(4,834,000)	113,809	1,173,185

FINANCIAL PERFORMANCE

	Year ended 31 July 2015
Surplus for the year under 2007 SORP	262,668
Reclassification of STRGL items	(859,000)
Holiday pay accrual movement under FRS102	(27,627)
Total comprehensive expenditure for the year under 2015 SORP	(623,959)

Effect of FRS102 Transition on Statements of Financial Position

	1 August 2014		31 July 2015			
	2007 SORP	Effect of transition	2015 SORP	2007 SORP	Effect of transition	2015 SORP
Non-Current Assets						
Tangible fixed assets	52,325,169	-	52,325,169	54,155,121	-	54,155,121
Current assets						
Trade and other receivables	876,248	-	876,248	435,689	-	435,689
Short Term Deposits	2,000,000	-	2,000,000	2,000,000	-	2,000,000
Cash at Bank and in Hand	1,177,416	-	1,177,416	1,100,549	-	1,100,549
Total current assets	4,053,664	-	4,053,664	3,536,238	-	3,536,238
Less: Creditors – amounts falling due within one year	(1,554,873)	(1,735,901)	(3,290,774)	(1,470,365)	(1,865,571)	(3,335,936)
Net current assets	2,498,791	(1,735,901)	762,890	2,065,873	(1,865,571)	200,302
Total assets less current liabilities	54,823,960	(1,735,901)	53,088,059	56,220,994	(1,865,571)	54,355,423
Less: Creditors – amounts falling due after more than one year	-	(47,209,915)	(47,209,915)	-	(48,348,238)	(48,348,238)
Provisions:						
Pension provisions	(4,081,000)	-	(4,081,000)	(4,834,000)	-	(4,834,000)
Net assets	50,742,960	(48,945,816)	1,797,144	51,386,994	(50,213,809)	1,173,185
Deferred capital grants	48,787,970	(48,787,970)	-	50,028,336	(50,028,336)	-
Reserves - Income and expenditure account	6,035,990	(157,846)	5,878,144	6,192,658	(185,473)	6,007,185
FRS 17/102 Pension Reserve	(4,081,000)	-	(4,081,000)	(4,834,000)	-	(4,834,000)
Total	50,742,960	(48,945,816)	1,797,144	51,386,994	(50,213,809)	1,173,185

Effect of FRS102 Transition on 2015 Statement of Comprehensive Income and Expenditure

	2007 SORP	STRGL items	Effect of transition	2015 SORP
INCOME				
Funding Grants	6,163,964	-	-	6,163,964
Tuition fees	3,572,684	-	-	3,572,684
Research Grants and contracts	169,869	-	-	169,869
Other operating income	3,301,577	-	-	3,301,577
Interest Receivable (including pension amount)	227,239	-	(208,000)	19,239
Total income	13,435,333	-	(208,000)	13,227,333
EXPENDITURE				
Staff costs	7,726,329	-	48,627	7,774,956
Other operating expenses	3,558,271	-	-	3,558,271
Depreciation	1,888,065	-	-	1,888,065
Interest Payable (including pension amount)	-	-	156,000	156,000
Total expenditure	13,172,665	-	204,627	13,377,292
Surplus/(Deficit) before tax	262,668	-	(412,627)	(149,959)
Taxation	-	-	-	-
Surplus/(Deficit) for the year	262,668	-	(412,627)	(149,959)
Actuarial loss in respect of pension scheme	-	(859,000)	385,000	(474,000)
Total comprehensive income/(expenditure) for the year	262,668	(859,000)	(27,627)	(623,959)