

Stranmillis University College

A College of Queen's University Belfast.

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

ADVISORS

Principal and Chief Executive: Professor A Heaslett to 17th September 2021
Professor J Heggarty from 20th September 2021

External Auditor: Grant Thornton (NI) LLP
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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	31 December 2021	Chair of the Governing Body	Member of HR and Remuneration Committee
E Jardine CB, MSc, BSc	1 August 2014	31 December 2021	Vice-Chair of the Governing Body.	Member of the HR and Remuneration Committee;
	1 January 2022	31 December 2026	Chair of the Governing Body	Member of the Education Committee
Mrs H Miller MBA BA PGDE PG Dip Law SFHEA	1 September 2019	31 August 2023	Member. Vice-Chair from 26 April 2022	Member of Audit and Risk Assurance Committee
Professor A Heaslett BA MA D.Phil MSc, FRSA	1 August 2007	17 September 2021	Principal and Chief Executive	None
Professor J Heggarty MBE, BSc, PHD, PGCFHE, MCGI	20 September 2021	For period of appointment	Principal and Chief Executive	None
Mrs C Moore BA, FCA	1 August 2014	30 June 2023	Member	Chair of the Audit and Risk Assurance Committee
Mr K Nelson MBE, BA, MBA, MSC, FCMI, CMGR	29 March 2013	28 March 2023	Member	Chair of the Finance and General Purposes Committee
Mr R Thompson MA, BA, DASE CertED	29 March 2013	28 March 2023	Member	Member of the Finance and General Purposes Committee and Education Committee
Dr E Birnie MA, PhD	1 August 2014	31 July 2022	Member	Member of the Finance and General Purposes Committee
Mr W Patterson BA, MBA, FCIPD	1 August 2014	31 July 2022	Member	Member of the Finance and General Purposes Committee; Chair of the HR and Remuneration Committee
Dr A Brown BEd, MSSc, PhD, FCIEA, FCoIT, FRSA	4 November 2014	3 November 2022	Academic Staff Representative	None
Mr D Feely BSc, MA	1 April 2021	31 March 2025	Support Staff Representative	None
Miss M Magee BEd (Hons)	1 June 2021	31 May 2022	Student Representative	Observer at Education Committee
Mr N McCarter BEd (Hons)	1 June 2022	31 May 2023	Student Representative	Observer at Education Committee
Mr P Weil MA Fellow RTS	1 September 2019	31 August 2023	Member	Member of Finance and General Purposes Committee Member of the HR and Remuneration Committee
Professor D S Jones BSc BA PhD DSc FREng FIAE FIMMM FRSC	1 September 2019	31 August 2023	Member	Member of Audit and Risk Assurance Committee
Ms M Corrigan BA MBA PGCE PGDip	1 September 2019	31 August 2023	Member	Member of Education Committee
Dr L Boyce BEM BA BSc CMCIPD MCMi MSSC PhD PMDip	1 July 2020	30 June 2024	Member	Member of HR and Remuneration Committee Member of the Finance and General Purposes Committee
Dr M Bennett PhD MEd DASE PGCE BA	1 July 2020	30 June 2024	Member	Chair of the Education Committee

During the period it was the former Chair's practice to attend also, the Finance and General Purposes Committee and the Education Committee. The new Chair, while a Member of the HR and Remuneration Committee and the Education Committee, also attends the Finance and General Purposes Committee.

1 REPORT OF THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2022

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 2022.
- 1.2 Stranmillis University College is a Higher Education Institution, which was founded in 1922, for the purpose of providing teacher education in Northern Ireland. The principal business of the University College, is the provision of courses in Initial Teacher Education leading to the award of the BEd (Honours). The University College also offers a BA in Early Childhood Studies, a BSc in Health, Physical Activity and Sport, a Postgraduate Certificate in Early Years Education (PGCE), a number of Foundation Degrees in collaboration with the Further Education sector and a range of courses at Master's level. All of the University College's award bearing programmes are validated by Queen's University, Belfast (QUB).
- 1.3 In addition, the University College offers a range of short courses through its Lifelong Learning and Continuing Professional Development Programmes. It also continues to implement an Intergenerational Learning Strategy in response to the Learning Leaders Strategy – A Strategy for Teacher Professional Learning, published by the Department of Education.
- 1.4 Over the years, the University College has also developed an international strategy and currently works with a number of overseas partners. In addition, the University College has developed a vibrant culture of scholarship and research related to the field of education and is continuing to expand its research capacity. The University College achieved pleasing results in both the 2014 and 2021 Research Excellence Framework (REF). The College continues to strengthen its research profile and, in particular, the work of the Centre for Research into Educational Underachievement (CREU).
- 1.5 The Stranmillis University College's mission is: 'transforming the lives of children, young people and communities, through excellence in teaching, scholarship and research.' Its vision is to be a high performing specialist Higher Education Institution in the field of Teacher Education and related professions; driving and leading innovative professional practice that will:
- shape education,
 - unlock potential, and
 - build better futures for all.
- 1.6 The following values have shaped the way the University College operates:

The University College:

- is student-focused: nurturing, developing and maximising the potential of every student;
- pursues excellence: demonstrating leadership in scholarship, teaching, research and professional practice.
- champions collaboration by creating effective partnerships locally, nationally and internationally.
- promotes social responsibility, thus embracing diversity and respect: listening to and working with colleagues and the wider College community; and
- promotes entrepreneurship: delivering innovative programmes and projects, growing income generation and promoting good governance.

1.7 The University College has pursued its mission by aiming:

- to deliver high-quality teaching and learning that is informed by scholarship and research, promotes critical enquiry and is recognised at regional, national and international level;
- to attract, develop, motivate and retain high calibre students, improving accessibility, including for those currently under-represented in Higher Education;
- to enable all learners, from entry to employment, to achieve their full potential through the provision of appropriate and timely support services;
- to focus scholarship and research to help inform teaching, shape policy, change practice and inform debate;
- to develop and sustain collaborative partnerships, locally, nationally and internationally which promote the concept of learning communities and sharing resources;
- to embed the concept of lifelong learning at all levels;
- to attract, retain and develop high calibre staff;
- to create a safe and attractive working environment to support the College community;
- to maximise income generation to ensure financial sustainability; and
- to improve communication to demonstrate impact to both internal and external stakeholders.

1.8 During 2021-22, the University College's Mission, Vision and Values were reviewed and new values have been set which will underpin the delivery of a new Corporate Plan for the period 2022 – 2025.

1.9 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. 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) has sponsorship responsibility for the University College, the terms of which are set out in a Management Statement and Financial Memorandum (October 2015), 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. The latter is to be superseded in due course with a new Partnership Agreement with DfE.

1.10 The University College is recognised as an Established Provider. This means that, in the judgement of DfE, the quality and standards of the academic programmes provided by the University College are of the required standard. This is the highest rating possible under the Established Provider system and is significant in the continuing development of the University College. It is also a reflection of the high-quality programmes the University College provides. There can be confidence that academic standards are reliable and meet UK requirements. The University College also meets the Home Office's requirements for student route sponsorship required to enable international students to study at a UK Higher Education Institution.

1.11 The University College continues to operate against a very challenging backdrop and, as such the progress and achievements as outlined in this report and accounts are all the more noteworthy. In October 2022, the University College celebrated its 100th anniversary – a milestone to be proud of.

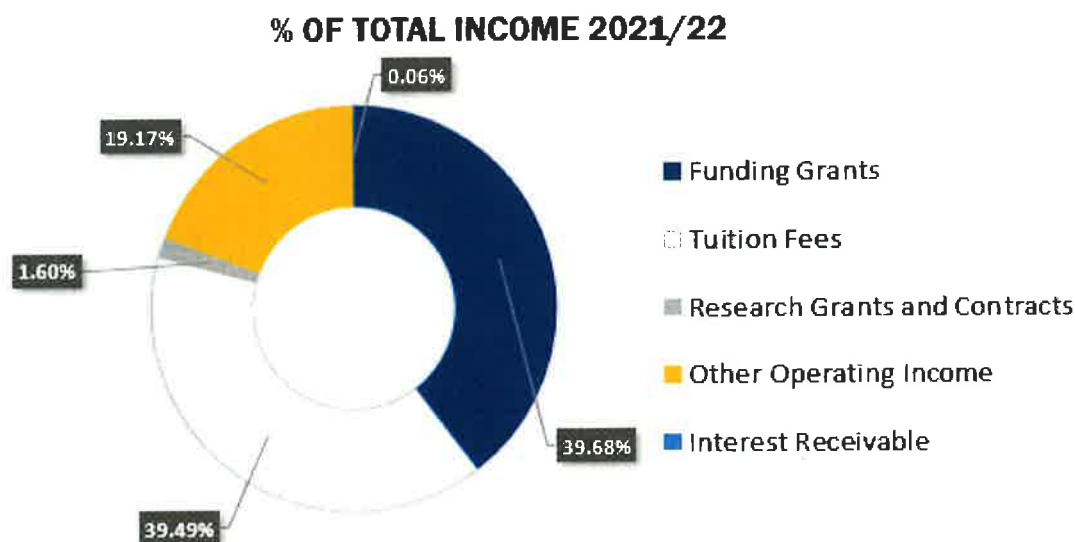
Financial Results for the Year

- 1.12 These financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, Financial Reporting Standards (FRS102), the Management Statement and Financial Memorandum between the Sponsoring Department and the University College and also the Accounts Direction issued by the Sponsoring Department.
- 1.13 The University College's Income, Expenditure and Results for the year to 31 July 2022 are summarised below:

	2022 £'000	2021 £'000
Total Income	13,010	12,205
Total Expenditure Before Exceptional Item	(13,875)	(12,787)
Exceptional Item – Partial Reversal of Prior Impairment	560	-
Total Expenditure After Exceptional Item	(13,315)	(12,787)
Operating Deficit	(305)	(582)
Actuarial Gain in respect of NILGOSC pension scheme	8,606	4,569
Total Comprehensive Income	8,301	3,987

Income

- 1.14 Total Income for the year was £13.0m representing an increase of £805k (6.6%) on the prior year. The main components of income, excluding deferred capital grant release income are shown in the chart below.

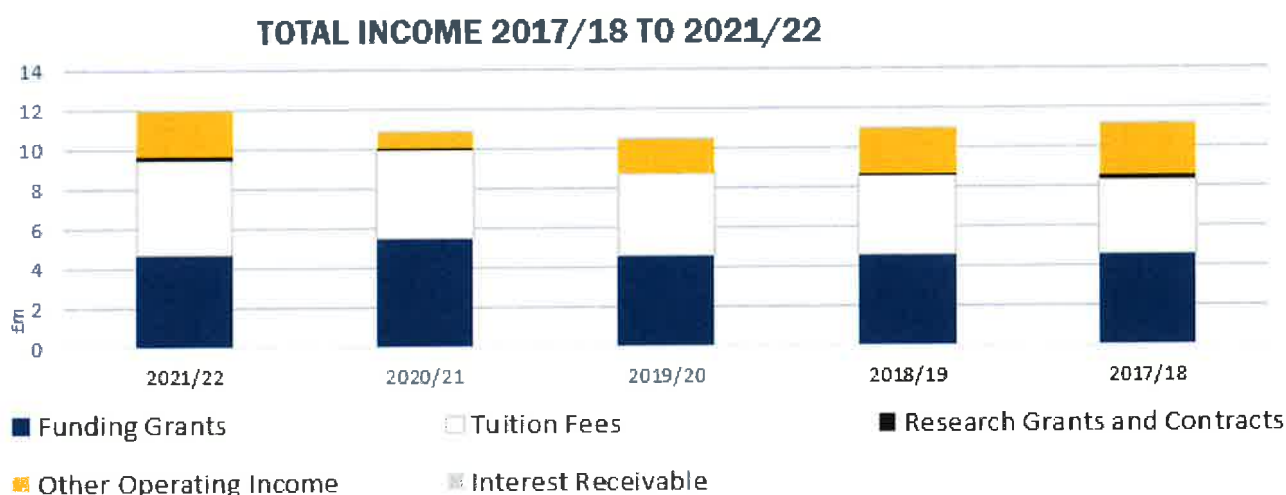


- 1.15 In interpreting income, readers should note that the Total Funding Grants of £5,760k (2021 - £6,823k) includes £990k (2021 - £1,290k) of Deferred Capital Grants Released, which relates to the matching depreciation charge both on the assets which were inherited by the University College on incorporation in 2005 or which have been grant funded since incorporation. The Deferred Capital Grants Release

Income therefore does not represent revenue funding actually received in the year from the Sponsoring Department. The amounts released represents some 7.6% (2021 - 10.6%) of amounts recorded as Total Income in the year. Recurrent Grant funding received from the Sponsoring Department was largely in line with the previous year. Research Funding received from the Sponsoring Department has fallen to £58k (2021 - £72k) due to a one-off additional allocation received in the previous year. Diversity & Mutual Understanding (DMU) and International Awareness Income recognised in the year (£32k and £68k respectively) has increased (2021 - £4k and £8k respectively) due to these programmes returning to full activity levels following a year of lower activity in the previous year due to the Covid-19 pandemic. Due to the lack of activity in the previous year, some of the previously received income from the Sponsoring Department was deferred and utilised in the 2021-22 year.

Other Sponsoring Department Funded Grant Income of £82k (2021 - £750k) included £81k in the current year in relation to the Higher Education Transition Experience Initiative. This programme was designed to aid the transition in to Higher Education for new students following the pandemic. The prior year Other Sponsoring Department Funded Grant Income related to assistance for Covid-19 pandemic mitigation measures and included a contribution of £322k towards lost halls of residence income, assisting with the refurbishment of some halls of residence spaces to aid social distancing, additional funding towards student support, bursaries, and a student Digital Poverty initiative. Funding Grant Income also includes £10k (2021 - £186k) in relation to the University College availing of the Coronavirus Job Retention (Furlough) Scheme.

The chart below shows the trends in total income (excluding deferred capital grant release) over the last 5 years. The 2021-22 year represents the highest income earned in the last five years.



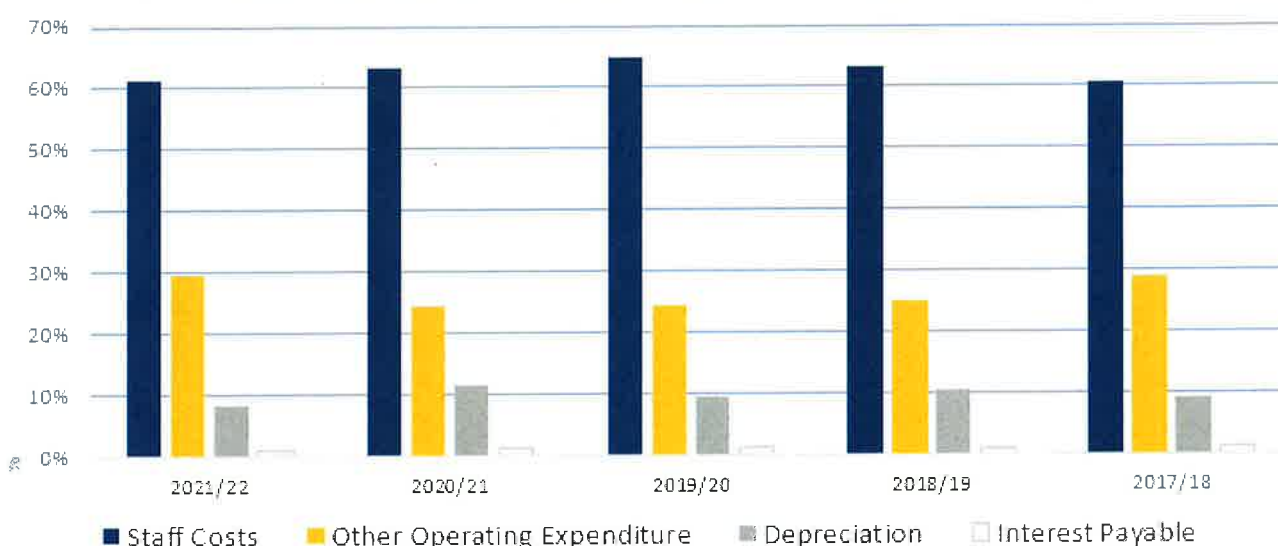
- 1.16 Tuition Fee income of £4.75m increased by £289k in the year (2021 - increase of £326k) with both full-time and part-time tuition fee income increasing by 4.3% and 18.8% respectively. Total full-time equivalent student numbers have increased to 1,043 (2021 - 1,037). Tuition Fee income contributed 36.5% (2021 - 36.5%) of Total Income.
- 1.17 Halls of Residence, Catering, Conferencing and Facility Hire income, under the management of the Hospitality, Accommodation and Conferencing Services Department, contributed £2,021k or 15.5% of Total Income in the year (2021 - £608k or 5%), an increase of £1,413k or 232%. This increase in income is due to the Halls of Residence running largely at full occupancy for the full year compared with the previous year whereby a series of rent breaks were offered to students throughout the year in line the Higher Education sector response to the Covid-19 lockdown restrictions. Conferencing, catering and facility hire income has also experienced positive recovery following the pandemic.

- 1.18 Other Grant Income of £59k has been recognised in the current year (2021 - £nil) following the resumption of the Erasmus and the new Turing international student exchange programmes following the pandemic. Sundry Other Income has decreased by £13k (5%) to £225k in the year (2021 - £238k).
- 1.19 Income of £2,504k or 19.2% (2021 – £924k or 7.6%) of Total Income in the year was derived from sources other than Sponsoring Department Funding Grants and Tuition Fees. The University College remains committed to the income diversification strategy which has been successfully pursued over recent years. By taking this approach, the University College has been successful in reducing reliance on core government funding.

Expenditure

- 1.20 Total Expenditure for the year totalled £13.9m (before Exceptional Item) representing an increase of £1.1m (8.5%) on the prior year. The most significant element is Staff Costs which equates to 61% of Total Expenditure before Exceptional Item (2021 – 63%). The chart below shows the breakdown of total expenditure (excluding any Exceptional Items) over the last 5 years.

% OF EXPENDITURE TO TOTAL EXPENDITURE 2017/18 TO 2021/22



- 1.21 After adjusting for the impact of the annual FRS102 NILGOSC pension scheme actuarial valuation, Staff Costs increased by £340k or 4.8% on the prior year.
- 1.22 Other Operating Expenditure of £4,095k increased by £983k or 31.6% on the previous year (2021 increased by £115k and 3.8%).

The most significant increase in operating expenditure has been the increase in Hospitality, Accommodation & Conferencing Services (HACS) Operating Expenses to £920k (2021 – £401k). Costs have increased by £519k compared with the previous year due to the return to the full service following the pandemic. In the previous year, the vast majority of HACS facilities, including Halls of Residence, were closed for a number of months because of Covid-19 restrictions resulting in operating expenditure being lower than normal. These costs also include the associated HACS energy costs which have increased significantly during the financial year due to the ongoing cost of living situation.

Purchase, Hire and Repair of Other Equipment costs have increased by £34k to £45k largely as a result of the purchase of replacement equipment for the Health, Physical Activity and Sport academic programme. Non HACS energy costs have increased by £341k (112%) to £646k compared with the previous year which is due to, as noted above, the ongoing cost of living situation. Rates & Insurance costs have increased by £25k to £493k on the previous year largely as a result of a new Cyber insurance policy now in place. Refurbishment, Maintenance and Cleaning costs have increased by

£124k to £365k due to the campus returning to full operations following the pandemic. Validation Costs have increased by £14k to £438k due to higher student numbers and related Tuition Fee Income. External Audit costs have increased by £8k to £14k due to increased costs under a new contract.

Widening Participation and College Bursary Costs have increased by £23k to £116k compared with the previous year due to an increase in eligible students for the College Bursary and a return to a full schedule of Widening Participation activities in 2021-22. Additional Bursary Costs reflect that, in the previous year, the Sponsoring Department provided additional funding to allow the College to extend its College Bursary to a wider range of students resulting in £110k of spend in the previous year. This scheme ended during the year resulting in minimal spend in 2021-22.

Research and Funded Project expenditure has increased by £249k to £267k compared with the previous year. As noted in the Income section above, this is largely due to the return of funded research projects following the pandemic. This has included costs associated with the Diversity and Mutual Understanding, International Outreach and well as the Erasmus and Turing international student exchange programmes. Costs also include expenditure associated with the Higher Education Transition Experience Initiative and other Research Projects.

Expenditure has also increased on IT Maintenance & Software costs (£25k), Sundry Course Costs (£14k), Postage, Printing & Stationery (£29k), Staff Training and Development (£11k) and Travel Costs including Student Placement (£31k) following the return to more normal activity levels following the pandemic.

Library Costs have decreased by £22k on the previous year due to a reduction in system costs following the successful implementation of a new Library Management System. Other Professional Fees have also decreased by £28k on the previous year.

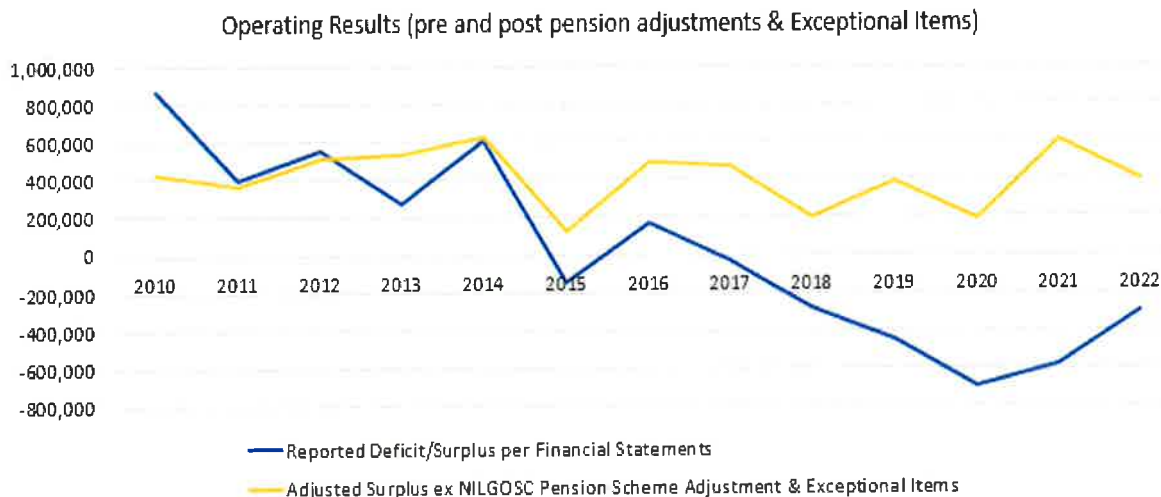
Covid-19 related expenditure of £14k (2021 - £303k) was incurred in the year in measures to mitigate the impact of the pandemic and to support staff and students whilst home working and studying. Much of the prior year extra pandemic related expenditure was funded by the Sponsoring Department.

- 1.23 Depreciation costs of £1,139k (2021 - £1,456k) decreased by £316k or 21.7% partly due to the demolition of the College Hall during the previous year. At the end of July 2022, Land & Property Services conducted a review of the valuation of the College's land and buildings. This included a review of the remaining useful lives of the College buildings. As a result, the useful lives of the majority of buildings were extended which has subsequently resulted in a decrease in the depreciation charge for the year. Depreciation represented 8.2% (2021 - 11.4%) of Total Expenditure before Exceptional Item.
- 1.24 An Exceptional Item of £560k was recognised in the current year (2021 - £nil) due to the reversal of a prior impairment in the value of the College land.
- 1.25 Included within the Statement of Comprehensive Income and Expenditure is a charge of £1,267k (2021 - £1,186k) relating to the FRS102 accounting adjustment required as a result of annual actuarial valuation of the NILGOSC pension scheme.

- 1.26 Adjusting for the impact of the FRS102 NILGOSC pension scheme actuarial valuation charge and Exceptional Item, an operating surplus of £402k was achieved (2021 - £604k) as shown below:

	2022 £'000	2021 £'000
Reported Operating Deficit	(305)	(582)
NILGOSC actuarial valuation charges	1,267	1,186
Exceptional Item	(560)	-
Operating Surplus after adjustments	<u>402</u>	<u>604</u>

This performance reflects the Governing Body's commitment to the generation of operating surpluses for reinvestment in teaching, learning and campus facilities. This financial strategy supports both investment in the campus and on-going sustainability of operations, whilst the necessity to make efficiency savings continues to be embraced. The graph below shows the operating surpluses (before NILGOSC related pension adjustments and Exceptional Items) generated over recent years compared with the reported financial deficit/surplus.



Statement of Financial Position

- 1.27 Overall the Statement of Financial Position shows a Net Asset Position of £26.56m (2021 – £18.26m). The increase in Net Assets is largely as a result of the reduction in the NILGOSC Pension Scheme Liability from £7.86m in the previous year to £521k in the current year. Despite funding some further capital projects during the year, cash holdings and short-term deposits also remain strong at £5.5m (2021 - £5.3m). However, as noted above General Reserves have been strengthened by £962k (2021 - £604k) in the year to £27.08m (2021 - £26.12m) as shown below:

	2022 £'000	2021 £'000
Reported Operating Deficit	(305)	(582)
NILGOSC Actuarial charges	1,267	1,186
Increase in General Reserves	<u>962</u>	<u>604</u>

Cash Flow

- 1.28 The Cash Flow Statement shows a net increase in cash of £202k (2021 – £912k).

Capital Investment

- 1.29 During the year the University College invested £441k in building works (2021 - £1,264k), £569k in equipment (2021 - £40k) and £nil in vehicle purchases (2021 - £21k). The most significant building capital investments during the year related to the refurbishment works to the Boundary Wall and Entrance Gates (£136k) and Sports Pitches (£66k), Minor Works programmes (£216k) and completion of the Nendrum Hall refurbishment (£23k).

Capital investment in Equipment included £371k in relation to Library Equipment and Teaching and Learning IT Equipment and IT System Support and Security Upgrade, a replacement Library Services Platform (£14k), Technology & Design Equipment Upgrade (£71k), equipment relating to the more flexible use of the Scholars Bar and Coffee Shop (£75k) and a Safer Campus Events Project (£30k).

The University College continues to invest its Sponsoring Department's capital allocation in schemes which enhance the teaching and learning environment and which improves health and safety for all campus users.

- 1.30 In the current year, the University College received Sponsoring Department capital grants of £363k in relation to building works (2021 - £1,130k), £509k in relation to equipment purchases (2021 - £35k) and £nil in relation to vehicle purchases (2021 - £18k).

Future Developments

- 1.31 Over recent years, the University College has continued to receive more significant levels of recurring Sponsoring Department capital funding than was previously the case.
- 1.32 It is expected that, with the support of the Sponsoring Department provided capital grant funding, the University College will continue to invest in the upgrade of campus facilities aimed at progressing priorities identified in the most recent University College Estates Strategy including the refurbishing of spaces that will be used to host Stranmillis University Centenary celebration events during the 2022-23 year. The most significant capital projects expected to progress during 2022-23 include the completion of the campus Boundary Wall and Entrance Gates project, the completion of Equipment Upgrade projects commenced in 2021-22, a project to install more energy efficient lighting within the Halls of Residence complex and further equipment upgrades. A further Minor Works programme is also in progress across the College. In addition, the University College continues to move forward its plans for the refurbishment of the campus outdoor sports facilities. A number of other Estates projects are also at the early stages of development and it is hoped that some of these works will be partially funded by the Sponsoring Department in forthcoming years. However, at present there is uncertainty as to the availability and extent of future Sponsoring Department capital funding beyond the end of March 2023.
- 1.33 The Governing Body remains committed to maintaining the financial solvency of the University College within the context of its long-term strategy and objectives.

Prompt Payment

- 1.34 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%.
- 1.35 During the accounting period 1 August 2021 - 31 July 2022, the University College paid 94% of its invoices within 30 days (2021 - 99%). The University College incurred no interest charges in respect of late payment for this period.
- 1.36 The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2021 - 31 July 2022, the University College paid 81% of its invoices within 10 days (2021 - 90%).

Principal Risks and Uncertainties

- 1.37 Outlined in the Governance Statement in the table at paragraph 2.35, is a description of the principal risk factors identified during 2021-22 that may impact on the achievement of the corporate objectives as set out in the University College's Corporate Plan 2018-21 and Transitional Plan 2021-22. These embrace the principal risks and uncertainties identified in the paragraphs below. However, it should be noted, in this respect, that not all the identified factors are within the University College's control. Other factors besides those listed below may also adversely affect the University College.
- 1.38 A significant issue impacting on the achievement of Key Performance Indicator (KPI) targets in 2021-22 was, the impact of the Covid-19 pandemic. While Business Continuity Plans for such an event are in place, no one had anticipated that, before the end of the 2019-20 academic year and beyond, the University College would have been in the midst of a global pandemic situation. Nonetheless, while working under the most exceptional circumstances, the University College achieved the following results:

Out of the 34 individual KPIs:

- 94% of the KPIs were either achieved (76%) or substantially achieved (18%);
 - 3% (1 target) is likely to be achieved with some delay; and
 - the data in respect of 1 target (3%) is not yet available.
- 1.39 While impacting on the performance of the University College, the pandemic has also brought unexpected benefits. The University College was granted an additional 28 ITE student places, arising from the re-grading of A-Level and BTECH results in summer 2020 which brought an extra £149k of additional DfE core grant funding in 2021-22. This has significantly helped to improve the University College's financial position as each additional student place also generates additional tuition fee income of approximately £4.5k p.a. per student – equivalent to an extra £127k of 2021-22 Tuition Fee income. This additional income will only be made available for this individual cohort of students during the duration of their studies.
- 1.40 A crucial aspect of the College's response to the pandemic was the need to make effective use of new technologies to deliver high quality teaching and learning, conduct online UCAS interviews and host a range of virtual events such as International Days and Open Days. Significant work was undertaken to ensure the effective and efficient operation of the online interview process, which involved panels of College staff and representatives from a large number of our partner schools. Although international mobilities suffered a negative impact because of Covid-19, the College offered modules through remote learning to international students and maintained contact with international partners. Successful virtual international events were also hosted for staff and students in 2021-22.
- 1.41 All staff and students are now making full use of Office 365 applications including OneDrive and MS Teams. Scanning and independent testing of the College IT network has been carried out and this process will continue to take place to ensure risks of Cyber-attacks are reduced and controlled as much

as possible. New IT equipment including servers and equipment to assist staff with remote and blended teaching and learning was funded by the Sponsoring Department and has been procured to improve the staff and student experience. Funding was also secured to procure touch screen panels for all teaching areas, additional mobile equipment for staff and students, including a class-set of tablets and other teaching and learning resources.

- 1.42 The University College continues to make progress in developing and expanding its portfolio of Masters' Level and CPD courses. New enrolments to Masters' programmes remained strong and interest in CPD courses from an increasingly wide range of educational professionals is evident. The switch to online professional development and online delivery of Masters' programmes during the pandemic has allowed the University College to recruit learners from more geographical regions, including international markets, as in person attendance is no longer necessary.
- 1.43 There continues to be considerable budget constraints across NI Government Departments and consequential budget constraints in relation to Higher Education. These constraints 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. Added to this, increasing energy costs are putting further pressure on budgets.
- 1.44 As outlined in more detail in the Governance Statement, a Risk Register is maintained at the Corporate level which is reviewed at meetings of the Governing Body and the Audit and Risk Assurance Committee. Departmental Risk Registers 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 to the achievement of the University College's objectives, the likelihood of those risks occurring, their potential impact on the University College, the controls that are in place to manage the identified risks, the actions being taken to further reduce and mitigate the risks and related sources of assurance. Risks are managed by an identified individual and are prioritised using a consistent scoring system. This risk management approach is supported by the provision of risk management coaching and awareness raising as required. 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, which is published on the University College's website.

Stakeholder Relationships

- 1.45 In line with other Higher Education Institutions, the University College has many stakeholders. These include staff, students, the Department for the Economy, the Department of Education, other education institutions, including Queen's University Belfast, St Mary's University College Belfast, Further Education Colleges and schools, trade unions and professional bodies as well as private sector employers, the voluntary and community sector and its neighbours.
- 1.46 The University College, at all times, seeks to maintain positive relationships with all its stakeholders and engages in regular communication with them through the University College website, by meetings and via representation on various external organisations' stakeholder groups, committees etc. The University College considers good communication to be very important and has developed a Communications Strategy. Marketing and Public Relations management also ensures continuous improvement in this area and maximises publicity of the University College's programmes. The University College also encourages staff and student involvement through a range of fora, including through membership of the Governing Body and Operational Committees.

Equal Opportunities and Employment of Disabled Persons

- 1.47 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.

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

- 1.50 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, for all ethnic groups and for 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.
- 1.51 The University College reports to the Governing Body on Equality and continues to liaise with the Equality Commission in respect of taking equality matters forward. The University College also continues to implement its Disability Action Plan and has registered as a Disability Confident Employer.

Investing for the Future

- 1.52 During 2021-22, the University College has continued to invest on campus developments, resources and facilities which are helping to create and maintain a high-quality teaching and learning environment, including the non-built environment that embraces the principles of sustainability.
- 1.53 Some of those investment projects, such as the boundary wall project, campus lighting project, resurfacing of the roads around the campus and the remedial work to the Henry Garrett building are critical to maintaining the campus. The recently completed major projects, such as the creation of new social spaces, improved kitchen facilities in Halls of Residence and the significant investment in IT infrastructure as well as the plans for the addition of the latest technology and design resources provide further examples of investing in the future of the University College.
- 1.54 In conclusion, despite the difficult circumstances that continue to prevail, and the risks and uncertainties that exist, overall, during 2021-22, the University College has continued to deliver on the vast majority of its core business commitments; demonstrating its ongoing commitment to good governance and ultimately the delivery of a quality experience for students in a sustainable environment.

Edgar Jardine



Chairman

29th November 2022

2 GOVERNANCE STATEMENT

- 2.1 The Governing Body of Stranmillis University College has a two-fold role: first, to support the Principal / Chief Executive and Staff in the delivery of the core objectives of the University College and secondly to hold them constructively to account for doing so. It is the Chair's responsibility to provide leadership in both aspects of the role. Together with the Principal, as Accounting Officer, the Governing Body has 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 it is 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 Sponsoring Department.
- 2.2 The system of internal control is based on the Institution's Corporate/Business Plan and 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 2022 and up to the date of approval of the financial statements, and accords with guidance in the Orange Book, published by HM Treasury in 2020. The Risk Management Policy, including the Governing Body's Risk Appetite Statement is reviewed annually. A further review of the latter was undertaken in 2021-22, the outcome of which was considered and approved by the Governing Body in September 2022.
- 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 Higher Education Code of Governance, published by the Committee of University Chairs (CUC) in 2020.
- 2.5 The University College substantially complies with all six of the primary elements of the Higher Education Code of Governance (CUC Code 2020), a review against which is undertaken annually. The outcome of the review in 2021-22 was reported to the Governing Body in November 2022. Actions identified during the 2020 Review under Element 2 of the Code, 'to compare College practice against the Higher Education Senior Staff Remuneration Code (published in June 2018 by the CUC)' and to undertake a 'Review/Audit of Inequalities' will be taken forward during 2022-23, at a time agreed with the Principal and the Head of Human Resources. The outcome of the Review will be reported to the HR & Remuneration Committee. Action on these has been delayed due to the pandemic and the existence of other priority issues. Notwithstanding this it should be noted that the Senior Staff pay structure was reviewed by an independent expert from the Leadership Foundation (now AdvanceHE) and the recommendations from that review were approved by the HR & Remuneration Committee.

A Review of Staff Appraisal Policy and Procedures, identified in the November 2021 Review also remains to take place. Consideration will be given as to how appropriate behaviours can be linked to the College Values in the context of this Review, including how performance in this area is measured and integrated into appraisal objectives/targets. A Terms of Reference for the Review will be drawn up in 2022-23.

Governing Body Effectiveness

The Governing Body aims to continuously keep its effectiveness under review.

As reported previously, a review of academic governance arrangements in the University College was undertaken by an ad-hoc Committee of the Governing Body. The ad-hoc Committee, comprising three members appointed by the Governing Body, reported its findings to the Governing Body in June

2019. The Report was finalised in September 2020, and an Action Plan was agreed by the Governing Body to take forward a number of recommendations identified in the Report. The Governing Body is satisfied that all actions can be considered as complete.

There was also an Annual Review of the remit of the Governing Body and its Committees in 2021-22, as well as an Annual Review of the Governing Body and Committee Work Plan, Code of Conduct and Standing Orders. The Audit and Risk Assurance Committee also reviews its effectiveness annually and in 2021-22 compared itself against the CUC Higher Education Code of Practice for Audit and Risk Committees published in May 2020. The outcome of this exercise identified a number of actions as detailed in paragraph 2.31 that will further enhance the way the Committee operates.

Consideration is also given to the Induction and Training/Development of Governors. A significant amount of Training/Development was undertaken during 2021-22 and a further Training/Development needs analysis has been undertaken for 2022-23.

Furthermore, during the latter end of 2021-22, the Governing Body completed a comprehensive review of its effectiveness, which entailed an element of external input. A small number of actions to further strengthen its effectiveness were agreed and an action plan has been developed.

Composition of the Governing Body

2.6 Up until 31 December 2021, the Governing Body comprised 17 Members:

- Thirteen lay members, appointed by DfE following open competition;
- The Principal as Chief Executive of the University College;
- One student representative appointed by the Department following elections internally;
- Two staff representatives appointed by the Department following elections internally.

On 31 December 2021, the tenure of the Chair, Professor Sir Desmond Rea came to an end after more than eight years of service, leaving 16 Members in post.

The tenure of a further two members ended on 31 July 2022, leaving 14 members overall at the beginning of the 2022-23 academic year. The Department for the Economy has embarked on a recruitment competition to fill the vacancies.

Governing Body Members are not remunerated for their role.

Allocation of Responsibilities

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

Governing Body Operating Framework

2.8 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 as Chief Executive and senior management on the day-to-day operations of its business.

2.9 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. Declaration of Conflicts of Interest is also 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

- 2.10 During 2021-22, the Governing Body met on 6 occasions. All meetings were quorate. Attendance at meetings was as follows:

Date	Number of Members	Number Attended
14 September 2021	17	17
30 November 2021	17	16
15 February 2022	16	11
30 March 2022	16	11
26 April 2022	16	12
21 June 2022	16	13

- 2.11 A comprehensive range of business was considered by the Governing Body during 2021-22, in keeping with the Instrument and Articles of Government for the University College and the Governing Body's Operating Framework and Annual Work Plan. This included amongst other matters:

- Academic Governance and Accountability, including a comprehensive Quality Assurance Report, which informed the signing of the annual Assurance Statement for the Department;
- Governance in the round and Governing Body Effectiveness;
- The results of the University College's performance in the 2021 National Students' Survey;
- Governor Development and Training;
- Approval of the Annual Business Plan for 2021-22 and monitoring and reporting on progress against Key Performance Indicator Targets;
- A draft Corporate Plan Strategy for 2022-2025;
- Reports from the Audit and Risk Assurance Committee, Finance and General Purposes Committee, Education Committee and the HR and Remuneration Committee and reports from the Principal and Student President;
- Covid-19 Reports;
- Visiting Professors' Reports and the approval of two replacement Visiting Professors;
- The University College's Annual Report for 2020-21;
- Corporate Risks;
- Corporate Finance monitoring and Budget and the Annual Financial Statements and Audit Findings;
- A formal Report from the Chair of the Audit and Risk Assurance Committee on the work of the Committee throughout 2021-22. (This was considered in November 2022 in advance of the signing of the Accounts);
- The Students' Union Financial Statements for 2020-21;
- Updates on the Sports Pitches Refurbishment Project;
- Human Resource matters, including Recruitment and Promotion and Senior Staffing arrangements;
- A proposed Centenary Celebration Strategy; and
- A Policy on the handling of the approval of Policies and Procedures, Policy and Procedures on Personal Relationships, Anti-Money Laundering, Gifts and Hospitality and Treasury

Management Policy updates and updates to the Governing Body Code of Conduct and Standing Orders.

- 2.12 The Governing Body also reviewed a Report from the Secretary on compliance with the Committee for University Chairs (CUC) HE Code of Governance 2020 as stated in Paragraph 2.5. Furthermore, and also as stated earlier, the Governing Body reviewed the membership of its Committees and reviewed and revised its Code of Conduct, Standing Orders, Register of Interests and Annual Work Plan as well as its Operating Framework, including the Terms of Reference of the following Committees during 2021-22:

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

- 2.13 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. The Student Representative also attends the Education Committee in an Observer capacity.

Operation of Governing Body Committees

Education Committee

- 2.14 During 2021-22, the Education Committee, comprising four Members met on 3 occasions. All meetings were quorate and attendance was as follows:

Date	Number of Members in Attendance out of 4
2 November 2021	4
1 March 2022	4
7 June 2022	4

The Committee fulfilled its core work programme, which included consideration of Reports on Teaching and Learning, Scholarship and Research, Student Support and Wellbeing and Student Recruitment and Community Engagement, including progress against Key Performance Indicator (KPI) targets. Key areas within these Reports included for example:

- Summary outputs in Scholarship and Research;
- Progress in the preparations for the 2021 Research Excellence Framework (REF) exercise and the results of that exercise;
- Research Funding;
- Updates on the work of the Centre for Research in Educational Underachievement;
- Consideration of the University College's proposal to introduce a Taught Doctorate in Professional Practice in consultation with Queen's University Belfast (QUB);
- Undergraduate and study abroad recruitment;
- Widening Participation, including males into teaching;
- Study abroad income;
- Updates on Professional and Intergenerational Learning, Lifelong Learning and Continuing Professional Development (CPD) short programmes;
- An update on the Graduate Outcomes Survey;

- The 2021 National Student Survey results;
- The level of academic offences reported to QUB during 2019-20 and the number of student complaints and appeals;
- The impact of Covid-19 on Teaching and Learning, Scholarship and Research and Student Support and Engagement;
- Student Recruitment;
- Student complaints and appeals;
- Quality assurance reports in respect of the:
 - 2017 Programme Review and Enhancement Process (PREP) one year on milestone meeting and the 2018 Quality Review Visit, all of which had been reported previously.
 - Periodic Reviews of the BA Early Childhood Studies – South West College and the Foundation Degree in Early Childhood Studies – Consortium of Colleges which took place in 2020-21 as well as the associated action plans;
 - Continuous Action for Programme Enhancement (CAPE) feedback.
- Compliance consumer legislation in respect to students;
- Transition Programme for new students; and
- Occupational health provision and counselling services.

2.15 The Committee also routinely considered whether there were any risks emerging from discussions that would need to be reflected within operational/corporate Risk Registers.

HR and Remuneration Committee

2.16 The HR and Remuneration Committee met on 5 occasions during the year. On all occasions the Committee was quorate. Attendance at meetings was as follows:

Date	Number of Members in Attendance out of 5 and out of 4 with effect from 1 January 2022
12 October 2021	5
16 November 2021	5
22 March 2022	4
5 April 2022	4
14 June 2022	4

2.17 During the year the Committee considered:

- A range of staffing and other matters;
- Performance reports and key objectives and targets for Senior Management;
- A Fair Employment / Equality Monitoring report;
- The recruitment and appointment of two replacement Visiting Professors;
- Policy on Acting Up/Honoraria;
- The Staff Development End of Year Report for 2020-21;
- Updates on recruitment;
- Updates on the development of a general Facilities Agreement;
- Updates on the plans to conduct a Staff Survey;
- Governor Development; and
- A Covid-19 report.

2.18 At each meeting during the year, a comprehensive report was also received and considered in respect to:

- Staffing, establishment, turnover and recruitment;
- Sickness absence rates;
- Employee relations, including the number of disciplinary, tribunal and grievance cases;
- Employment arrangements; and
- Other significant issues and developments.

Furthermore, at each meeting, the Committee considered updates on progress against targets in the HR Business Plan and the HR Department's Risk Register, as well as any risks emerging from the business discussed.

Finance and General Purposes Committee

2.19 During 2021-22, the Finance and General Purposes Committee met on 4 occasions in line with its Terms of Reference. On all occasions the Committee was quorate. Attendance at meetings was as follows:

Date	Number of Members in Attendance out of 5
12 October 2021	5
16 November 2021	5
22 March 2022	4
31 May 2022	5

2.20 During the year the Committee considered:

- Comprehensive Finance Reports, including Management Accounts, at each meeting;
- Draft Financial Statements and Audit Findings for 2020-21;
- An update on the Value for Money (VfM) Action Plan;
- The University College Annual Report 2020-21;
- Comprehensive Estates and Procurement Reports;
- Digital and Technical Services Reports;
- Hospitality, Accommodation and Conferencing Services Reports, including Halls pricing, Marketing of Halls accommodation and Conferencing Services; space;
- Comprehensive Health and Safety Reports;
- Legionella Standards and Compliance; and
- Updated Policies on Anti-Money Laundering, Gifts and Hospitality and Treasury Management.

2.21 The Committee also considered any risks emerging from the business discussed during the year and progress against Key Performance Indicators (KPIs).

Audit and Risk Assurance Committee

2.22 The Audit and Risk Assurance Committee, comprising 3 Non-Executive members held 4 meetings during the year. On all occasions the Committee was quorate. Attendance at meetings was as follows:

Date	Number of Members in Attendance out of 3
23 September 2021	2
25 November 2021	2
3 March 2022	3
8 June 2022	2

College and Other Attendees

Meetings were attended by the Principal (Accounting Officer), the Head of Finance, the Head of Internal Audit, the Head of External Audit and the Department's Observer during the year as set out below. The Secretary to the Governing Body also attended all meetings to provide secretarial services. In this respect, the Chair discussed the Agenda and any relevant issues with the Secretary before each meeting.

Date/In Attendance	23 September 2021	25 November 2021	3 March 2022	8 June 2022
Principal/Accounting Officer	√	√	√	√
Head of Finance	√	√	√	√
Head of Internal Audit	√	√	√	√
Head of External Audit		√		√
Department for the Economy Representative	√		√	√

2.23 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).

2.24 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 Internal Audit Annual Assurance Statement for 2020-21, follow-up reports and reports on progress against the 2021-22 Audit Plan;
- The approval of the Internal Audit Strategy and Plan for 2021-22;
- The Internal Audit Recommendations Monitoring Schedule;
- The 2019-20 Business Continuity Planning Activity Report;
- The Corporate Risk Register;
- The draft Primary Financial Statements and Audit Findings 2020-21;
- The External Audit Strategy for 2020-21;
- The Annual Fraud Report;
- A Whistleblowing Report;
- An updated Anti-Fraud and Bribery Policy;
- Compliance with the updated CUC HE Code of Governance 2020;
- Reports in relation to Direct Award Contracts;
- Prompt payment statistics for the period 2020-21 and the statistics for 2021-22, which were considered by the Committee in October 2022;
- A Report on Freedom of Information Requests during 2020-21 and those in respect to 2021-22 which were considered by the Committee in October 2022;
- A report on Lessons Learned from Post Project Evaluations during 2021-22, which was considered in November 2022 and
- A Report on Business Continuity Planning, in respect of 2020-21, including lessons learned from testing and a report on the University College's response to Covid-19. A further report on Business Continuity Planning in respect of 2021-22 was considered in October 2022.

2.25 The Committee also reviewed Reports from Internal Audit as set out in the following Table:

Subject Area	Nature of Audit
Core Financial Controls – Debtors Ledger and Cash Management	Assurance
Human Resources	Assurance
Estates Strategy	Assurance
Income Generation	Assurance
Student Wellbeing and Support	Assurance
Governing Body Effectiveness	Follow-up
IT Systems	Follow-up
Student Registry and Recruitment	Follow-up

2.26 Based on the conclusions of this work, it is the opinion of the Internal Auditors that the University College has a framework of controls in place that provides Satisfactory Assurance to the Accounting Officer over the effective and efficient achievement of the University College's objectives and the management of key risks. Furthermore, Internal Audit did not identify any matters which the University College should include within the Governance Statement in respect of the 2021-22 academic year.

2.27 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 2021-22, the Committee was satisfied that the University College's arrangements for corporate governance and internal control and risk management are basically sound.

Meetings with Internal and External Audit

2.28 Rather than holding annual meetings with the Auditors to discuss matters of mutual interest, the Committee met in private session with the Head of Internal Audit on four occasions during 2021-22, and External Audit on two occasions, before the start of the main meetings of the Committee.

Meeting with the Accounting Officer

2.29 The annual meeting between the Chair of the Committee and the Accounting Officer took place on 13 June 2022. The purpose of the meeting was to provide an opportunity for mutual reflection on a range of matters, for example, to seek the Accounting Officer's views on the Internal and External Audit contracts during 2021-22, the standard of information provided to the Committee and the skill set of the Committee. A detailed discussion also took place on the format of the University College's Development Plan, the objectives included in the Plan and the relationship to the Corporate Risk Register, in particular, the changes that are required to be made to the Register. The Chair of the Committee was supportive of the work that was proposed.

Review of Effectiveness

2.30 The Committee conducted a review of its effectiveness in June 2022, using the Committee of University Chairs' (CUC) Code of Practice for Audit Committees. In previous years the Committee had used the National Audit Office Checklist as a basis for the review and with which it was fully compliant.

2.31 In conclusion, the Committee was satisfied that based on the CUC Code of Practice, it is broadly compliant with the good practice therein. Additional aspects which the Committee agreed to consider included:

- a review of the Committee's Terms of Reference (ToR) against the Model ToR in the Code,
- holding occasional separate sessions to consider specific risks;
- joining the Finance and General Purposes Committee meeting in November each year to consider the annual Financial Statements; and

- the potential to invite the Chair from another HEI Audit and Risk Assurance Committee in order to provide an external review function;

2.32 The Committee's opinion is that it effectively supports the Governing Body and Accounting Officer; it reviews its performance on an annual basis; is suitably independent and objective; and has the appropriate mix of skills.

Operational and Academic Governance Committees

2.33 The Principal as Chief Executive and Accounting Officer has established a number of Operational and Academic Governance Committees to support good governance in the University College:

- **A Corporate Planning Committee** which assists the Principal as 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;
- **A Senior Leadership Committee** which is responsible for the development of the Corporate Plan which is subject to approval by the Governing Body. This Committee is also responsible for the development, implementation and reviewing of approved strategies to support the delivery of the Corporate Plan, including financial and resource planning;
- **An Academic Leadership Committee** to assist the Senior Leadership Committee in the planning and development of a sustainable academic portfolio to support the delivery of the College's Mission and Vision as articulated in the Corporate Plan. This Committee also considers recommendations for approval for new programmes and new partners and the suspension or discontinuation of existing programmes and partners. The Committee identifies the likely resource requirements (including potential requirements for IT, library services, time-tabling, student support, outreach and admissions) of new programmes and partnerships and promotes dialogue between academic and professional services to develop viable, market-informed programmes that are aligned with the University College's strategic plans;
- **A Teaching & Learning Committee** which acts as a proactive and strategic body for the monitoring and enhancing of the quality and standards of learning, teaching, assessment and curricula of the University College. Its primary role is to ensure that quality assurance procedures are implemented and taking responsibility for promoting quality enhancement across the University College.
- **Research and Scholarship Committee** which has overall responsibility for the management and implementation of approved strategies and policies with respect to scholarship and research. The University College's aim is to extend its reputation and performance as a regional, national and international centre of scholarship and research in Education. This will involve creating a rich, vibrant and supportive scholarship and research environment which informs and underpins teaching and learning.

Quality of Data

2.34 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 in consultation with senior management. 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

- 2.35 The Governing Body and its Committees, considered risks facing the University College at all meetings during 2021-22. The Governing Body has received assurance that all Risks, including Fraud Risks, are being managed appropriately and controlled and that further actions to manage risks to an appropriate level were continuously being considered. The following Corporate Risks were identified for inclusion in the Corporate Risk Register during 2021-22:

Risk No. & Residual Status	Summary of Risk Statements
1	Failure, especially in the light of Covid-19, to retain full-time student quotas at least at the current level and to secure part-time enrolments will have a major negative impact on the University College's financial sustainability.
2	Failure to develop the effective use of the University College's IT systems including the VLE system, to ensure the delivery of high-quality services given the demand for remote working arising from the Covid-19 pandemic, will negatively impact the outcomes for students and service providers thus undermining the University College's reputation and negatively impacting Income Generation.
3	Failure of the University College to have control over income generated, including accessing reserves and other cash holdings, as a result of Government funding arrangements, may have a consequential negative impact on the sustainability of the University College's current business model moving forward.
4	Failure to successfully secure research monies will impact on the sustainability of the Research Office and the Centre for Research into Educational Underachievement, particularly given the challenging situation arising from Covid-19.
5	Failure to adequately manage, plan and have the available resources (staff, IT etc.) to offer alternative means of delivering teaching, learning and assessment due to the Covid-19 pandemic which could result in students failing to complete the academic requirements or potential reputational damage.
6	Failure to have sufficient staff available, including due to illness etc. to provide essential campus services including to secure campus grounds and buildings, process payroll and / or essential supplier payments etc.
7	Failure to generate sufficient income to maintain the financial viability of the University, including the impact of post pandemic behaviour, which could lead to a reduction in the income generating capacity of HACS

Given that there is a new Corporate Plan for the period 2022-2025, a comprehensive review of the Corporate Risk Register has been undertaken to assess the risk factors that may impact on the achievement of the objectives in the Plan. As a result, the above risk profile has now been superseded.

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. As reported previously, 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 have also been developed and approved by the Governing Body. An Audit of Information held within the University College and who is responsible for managing it has also been undertaken. Work has also commenced to create a University College archive and material is being systematically documented. A number of old records are also in the process of being lodged with the Public Records office for Northern Ireland (PRONI) for safekeeping because of their historical significance. Unfortunately, the global pandemic has delayed the development of an overarching Security Strategy, which will facilitate implementation of comprehensive security arrangements across the University College. It should be noted that despite the pandemic and subsequent increased use of remote learning and working, data security remains a priority and where possible data security was improved, including the introduction of multi-factor authentication, penetration testing and vulnerability scans, with subsequent remedial actions applied. The University College also holds Cyber Security insurance. The assurance arrangements will be monitored by the Corporate Planning Committee. There were no reports during the year of any significant data losses.

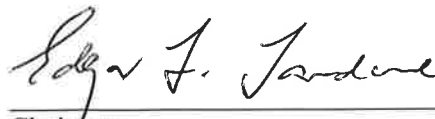
Conclusion

- 2.37 Our review of the effectiveness of the system of internal control is informed by Internal Audit, which operates in accordance with Northern Ireland 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 2021-22 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 University College, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their Audit Findings 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.

Professor Jonathan Heggarty

Principal and Chief Executive
29th November 2022

Edgar Jardine

Chairman
29th November 2022

3 STATEMENT OF RESPONSIBILITIES OF THE MEMBERS 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


Chairman
29th November 2022



Non-statutory Independent auditor's report to the Governing Body of Stranmillis University College

Opinion

We have audited the non-statutory financial statements of Stranmillis University College (the 'College'), which comprise the Statement of Comprehensive Income & Expenditure, Statement of Changes in Reserves, Statement of Financial Position and the Cashflow Statement for the financial year ended 31 July 2022, and the related notes to the non-statutory financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is accounting standards issued by the Financial Reporting Council including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, Stranmillis University College's non-statutory financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice and with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education of the assets, liabilities and financial position of the College as at 31 July 2022 and of its financial performance for the financial year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)'). Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the non-statutory financial statements' section of our report. We are independent of the College in accordance with the ethical requirements that are relevant to our audit of the non-statutory financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the non-statutory financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the non-statutory financial statements is appropriate.

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

Our responsibilities, and the responsibilities of the governors, with respect to going concern are described in the relevant sections of this report.

Other information

Other information comprises the information included in the Annual Report, other than the non-statutory financial statements and our auditor's report thereon, including the Governor's report. The governors are responsible for the other information. Our opinion on the non-statutory financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the non-statutory financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the non-statutory financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the non-statutory financial statements, we are required to determine whether there is a material misstatement in the non-statutory financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- 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 2022 have been applied for the purpose for which they were received; and
- Income during the year ended 31 July 2022 has been applied in accordance with the College's statutes and where appropriate, with the Financial Memorandum with the Sponsoring Department.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment we have obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

We have nothing to report in respect of the following matters in relation to which 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 non-statutory financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of senior management remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Reporting of the Governing Body and Governance Statement are inconsistent with our knowledge of the College.

Responsibilities of the Governing Body

As explained more fully in the Statement of responsibilities of the Governing Body, the Governing Body is responsible for the preparation of the non-statutory financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS102, and for such internal control as the governors determine is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-statutory financial statements, governors are responsible for assessing the College's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the College or to cease operations, or has no realistic alternative but to do so.

Those Governing Body is responsible for overseeing the College's financial reporting process.

Responsibilities of the auditor for the audit of the non-statutory financial statements

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

A further description of an auditor's responsibilities for the audit of the non-statutory financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the non-statutory financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Based on our understanding of the College and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy law, Employment Law and Pensions Legislation and we considered the extent to which non-compliance might have a material effect on the non-statutory financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the non-statutory financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions. We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the non-statutory financial statements.

In response to these principal risks, our audit procedures included but were not limited to:

- enquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of non-statutory financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;

- challenging assumptions and judgements made by management in their significant accounting estimates, including carrying value of fixed assets and income recognition; and
- review of the non-statutory financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the College's Governor's as a body, in accordance with the Financial Memorandum. Our audit work has been undertaken so that we might state to the College's members 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 College's members as a body, for our audit work, for this report, or for the opinions we have formed.



Louise Kelly (Senior Statutory Auditor)

For and on behalf of

Grant Thornton (NI) LLP

Chartered Accountants & Statutory Auditors

12 - 15 Donegall Square West

Belfast

29th November 2022

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
For the Year Ended 31 July 2022

		2022 £	2021 £
Income	NOTE		
Funding Grants	(2)	5,759,737	6,823,041
Tuition Fees	(3)	4,746,690	4,458,177
Research Grants and Contracts	(5)	192,467	60,696
Other Operating Income	(6)	2,304,478	846,041
Interest Receivable		6,903	17,584
Total Income		<u>13,010,275</u>	<u>12,205,539</u>
Expenditure			
Staff Costs	(7) & (8)	8,513,618	8,066,369
Other Operating Expenditure	(10)	4,094,563	3,111,253
Depreciation	(13)	1,139,399	1,455,615
Interest Payable		128,000	154,000
Total Expenditure Before Exceptional Item		<u>13,875,580</u>	<u>12,787,237</u>
Exceptional Item – Partial reversal of prior impairment	(11)	(560,000)	-
Total Expenditure After Exceptional Item		<u>13,315,580</u>	<u>12,787,237</u>
Operating Deficit Before Tax		<u>(305,305)</u>	<u>(581,698)</u>
Taxation		-	-
Operating Deficit After Tax		<u>(305,305)</u>	<u>(581,698)</u>
Actuarial gain in respect of pension scheme	(20)	8,606,000	4,569,000
Total Comprehensive Income for the Year	(20)	<u>8,300,695</u>	<u>3,987,302</u>

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

STATEMENT OF CHANGES IN RESERVES

		2022 £	2021 £
Reconciliation			
Opening Reserves	(20)	18,262,304	14,275,002
Total Comprehensive Income for the year		8,300,695	3,987,302
Closing Reserves	(20)	<u>26,562,999</u>	<u>18,262,304</u>

The notes on pages 36 to 52 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 July 2022

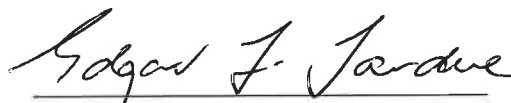
	Note	2022 £	2021 £
Fixed Assets	(13)	40,920,396	40,490,061
Total Fixed Assets		40,920,396	40,490,061
Trade and Other Receivables	(14)	707,322	309,950
Cash and Cash Equivalents	(15)	5,529,759	5,327,727
Total Current Assets		6,237,081	5,637,677
Creditors – Amounts Due Within One Year	(16)	(2,691,775)	(2,481,643)
Net Current Assets		3,545,306	3,156,034
Total Assets less Current Liabilities		44,465,702	43,646,095
Less: Creditors – Amounts Due After One Year	(17)	(17,381,703)	(17,523,791)
Less: Provisions for Liabilities and Charges	(19)	(521,000)	(7,860,000)
NET ASSETS		26,562,999	18,262,304
General Reserves	(20)	27,083,999	26,122,304
Pension Reserve	(20)	(521,000)	(7,860,000)
TOTAL FUNDS		26,562,999	18,262,304

The financial statements were approved by the Governing Body on 29th November 2022 and were signed on its behalf by:

Professor Jonathan Heggarty

Edgar Jardine


Principal and Chief Executive
29th November 2022


Chairman
29th November 2022

The notes on pages 36 to 52 form part of these financial statements.

CASH FLOW STATEMENT
For the Year Ended 31 July 2022

		2022 £	2021 £
	Note		
Total Comprehensive Income		8,300,695	3,987,302
Adjustments for Non-Cash Items			
Partial Reversal of Prior Impairment	(11) & (13)	(560,000)	-
Depreciation	(13)	1,139,399	1,455,615
Increase in Debtors	(14)	(397,372)	(77,979)
Increase in Creditors	(16)	186,221	316,159
Decrease in Pension Provision	(19)	(7,339,000)	(3,383,000)
Adjustments for Investing or Financing Activities			
Interest Receivable		(6,903)	(17,584)
Interest Payable		128,000	154,000
Capital Grant Income Released	(2) & (18)	(990,478)	(1,290,159)
Loss on Disposal of Fixed Assets		-	45,599
Net Cash Inflow from Operating Activities		460,562	1,189,953
Cash Flows from Investing Activities			
Interest Receivable		6,903	17,584
Capital Grants Received	(18)	872,301	1,183,416
Payments Made to Acquire Fixed Assets	(13)	(1,009,734)	(1,324,558)
Cash Flows from Financing Activities			
Interest Payable		(128,000)	(154,000)
Increase in Cash and Cash Equivalents	(15)	202,032	912,395
Net Funds at 1 August	(15)	5,327,727	4,415,332
Net Funds at 31 July	(15)	5,529,759	5,327,727

The notes on pages 36 to 52 form part of these financial statements.

NOTES TO THE ACCOUNTS

For the year to 31 July 2022

1 STATEMENT OF PRINCIPLE ACCOUNTING POLICIES

(a) **Format and Basis 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 2019, Financial Reporting Standards (FRS102), the Management Statement and Financial Memorandum between the Sponsoring Department and the University College (October 2015) and also the Accounts Direction issued by the Sponsoring Department.

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

(b) **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 interest received 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 University 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 capital grants within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Funding Grants includes amounts receivable under the Coronavirus Job Retention Scheme to reimburse the University for the wages of certain employees who were furloughed during the period but who remained on the University College's payroll. As this scheme involved a transfer of resources from government to the entity, it meets the definition of a government grant. The scheme is designed to compensate for staff costs, so amounts received are recognised in the Statement of Comprehensive Income & Expenditure Account over the same period as the costs to which they relate.

(c) **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.

(d) **Pension Schemes**

The two principal pension schemes for the University 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. 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 University 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.

A full actuarial review of the Northern Ireland Teachers Pension Scheme was carried out during the 2018-19 year which resulted in the employer contribution rate increasing from 17.7% to 25.1% from the 1st April 2019. As far as the University College is aware this rate will continue for the 2022 - 23 financial year.

NILGOSC is a defined benefit scheme which is externally funded. 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 University 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 University 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 University 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 University 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 University College are charged to the Statement of Comprehensive Income & Expenditure.

The NILGOSC Fund is valued every three years by an independent actuary. The latest valuation was carried out on 31 March 2022 by the Committee's Actuary, Aon Hewitt. The Employer's contribution rate will continue at 19.5% until March 2023. Following the results of the March 2022 valuation the Employer's contribution rate will drop to 19% from April 2023 and continue at this level for the following three years.

(e) Tangible Fixed Assets

Land and Buildings

Land and buildings inherited from the Sponsoring Department on incorporation are stated in the Statement of Financial Position at valuation (less any impairment) 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 and major adaptations to buildings are depreciated over their expected useful economic life to the University College of between 20 and 50 years unless there is any evidence that suggests that the useful life is less than 20 years in which case the building is depreciated over the shorter period. A review of building condition and useful lives is reassessed every 3 – 5 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 capital grants 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 - 10 years;
- Computer equipment – 3 - 5 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 depreciation rates, with the related grant being credited to deferred capital grants and released to the Statement of Comprehensive Income and Expenditure over the expected useful economic life of the related equipment.

(f) 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.

(g) 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.

(h) 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. 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.

(i) Liquid Resources

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

(j) 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.

(k) Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are required when applying accounting policies. These are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The University College makes estimates and assumptions concerning the future, which can involve a high degree of judgement or complexity. These resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below:

i. Recovery of debtors

Estimates are made in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the ageing profile of debtors are considered.

ii. Defined benefit pension scheme obligations

Pension scheme obligations are an estimate of the amount required to pay the benefits that employees have earned in exchange for current and past service, assessed and discounted to present value using the assumptions shown in Note 22. The University College relies on information received from the independent actuary to determine each assumption used which reflects historical experience and current trends.

(l) Going Concern

The Governors have considered the University College's forecasts and projections, which factor in significant increases in expected energy costs. Whilst the full future financial impact of these energy costs (and any associated government support for businesses beyond the end of March 2023) is unknown at present, based upon the projections prepared, the governors have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. The University College therefore continues to adopt the going concern basis in preparing its financial statements.

(m) Agency Agreements

When the University College acts as an agent it is not exposed to the majority of the benefits and risks associated with the exchange transaction (including performance of the transaction, price or credit risk). Where the University college disburses funds it has received as paying agent on behalf of the Sponsoring Department, and has no beneficial interest or risks related to the receipt and subsequent disbursement of the funds, these funds have been excluded from income. Any commissions/administration contributions received whilst acting as agent have been included as income.

2 FUNDING GRANTS

	2022	2021
	£	£
Recurrent Grant	4,468,146	4,462,596
Widening Participation	50,634	50,634
Research Funding	58,301	71,921
Diversity and Mutual Understanding (DMU)	31,577	4,321
International Awareness	68,312	7,576
Other Sponsoring Department Funding Grants	82,225	749,512
Release of Deferred Capital Grants	990,478	1,290,159
Job Retention (Furlough) Scheme	10,064	186,322
	<u>5,759,737</u>	<u>6,823,041</u>

3 TUITION FEES

Variable tuition fees were introduced with effect from 1 August 2006. The rate for 2021-22 was set at £4,530 for full-time students (2021: £4,395).

	2022	2021
	£	£
Full-time Students	3,954,144	3,791,306
Part-time Students	792,546	666,871
Total Fees paid by/on behalf of Students	<u>4,746,690</u>	<u>4,458,177</u>

4 NUMBER OF STUDENTS

	2022	2021
	No.	No.
BEd	575	574
PGCE	15	15
BA (ECS)	177	164
BSC (HPA&S)	100	108
TOTAL – FULL TIME	<u>867</u>	<u>861</u>

The University College continued to offer a range of courses at Master's and Certificate level attracting 171 students (2021: 161 students). In addition, 164 students (2021: 183 students) undertook part-time undergraduate courses. This equated to 176 full time equivalent students (2021: 176 students) giving a total student population for the year of 1,043 (2021: 1,037 students).

5 RESEARCH GRANTS AND CONTRACTS

	2022	2021
	£	£
UK Based Charities	4,655	278
European Commission	-	-
Other Grants and Contracts	187,812	60,418
	<u>192,467</u>	<u>60,696</u>

Included within Other Grants and Contracts above is £nil (2021: £5,368) received from the Northern Ireland Office and £nil (2021: £4,453) received from Department of Foreign Affairs and Trade - Reconciliation Fund. This income related to a funded research project into addressing educational underachievement in Northern Ireland.

6 OTHER OPERATING INCOME

	2022	2021
	£	£
Residence and Catering Operations	1,829,343	524,268
Rents Receivable	87,450	75,741
Hire of Facilities	104,062	8,280
Other Grant Income	58,772	-
Sundry Other Income	224,851	237,752
	<u>2,304,478</u>	<u>846,041</u>

7 STAFF COSTS

	2022	2021
	£	£
Wages and Salaries	5,614,005	5,381,596
Social Security Costs	568,821	523,883
Pension Costs	1,191,792	1,128,890
Other Pension Costs	1,139,000	1,032,000
	<u>8,513,618</u>	<u>8,066,369</u>

Staff Numbers

	2022	2021
	No.	No.
Lecturing Staff	42	44
Support Staff	127	122
	<u>169</u>	<u>166</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 which can be reviewed on the Governance page of the University College website.

8 ANALYSIS OF STAFF COSTS BY ACTIVITY

	2022 £	2021 £
Academic Departments	2,881,924	2,828,191
Academic Support Services	91,816	87,500
Other Support Services	583,522	533,055
Admin and Central Support Services	1,794,693	1,741,097
Premises	831,988	744,420
Catering and Residences	785,668	725,397
Other Income Generating Activities	405,007	374,709
Other Pension Costs	1,139,000	1,032,000
	<u>8,513,618</u>	<u>8,066,369</u>

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 Senior Leadership Team which comprises the Principal and Chief Executive, four Academic Directors (one of whom is part time), Heads of Finance and Human Resources with inputs from the Head of Estates and Procurement, Head of Hospitality, Accommodation and Conferencing Services, Marketing and Public Relations Manager and the Digital and Technical Services Manager.

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

	2022 FTE No.	2022 £	2021 FTE No.	2021 £
Salary	10.6	716,593	10.8	726,269
Pension contributions		159,298		163,697
Total Emoluments		<u>875,891</u>		<u>889,966</u>

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

	Professor A Heaslett From 1 st August 2021 to 17 th September 2021	Professor J Heggarty From 20 th September 2021 to 31 st July 2022	2021 £
Salary	21,086	88,623	116,691
Pension contributions	3,941	22,244	29,289
	<u>25,027</u>	<u>110,867</u>	<u>145,980</u>

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.

The Principal and Chief Executive is the only employee with a basic salary in excess of £100,000.

The Principal's salary is determined by the University College's HR and Remuneration Committee, a subcommittee of the Governing Body. The salary, which has been benchmarked against comparators, reflects the scale and complexity of the role in providing strategic leadership and accountability.

The Principal and Chief Executive's basic salary is 3.8 times (2021: 4.5 times) the median pay of staff (2022: £27,116, 2021: £26,715), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University College to all its staff (Academic & Non-Academic). The total remuneration is 3.9 times (2021: 5.5 times) the median total remuneration of staff (2022: £32,404, 2021: £26,715) calculated on a full-time equivalent basis. Median total remuneration is calculated by including employer's pension contributions only for staff in a pension scheme. The median pay and pay ratios derived exclude agency staff (as these are not on the University College payroll system). Where some Institutions outsource lower paid positions, for example catering staff, the University College does not subcontract these roles which impacts on the pay ratios.

10 OTHER OPERATING EXPENDITURE

	2022 £	2021 £
Hospitality, Accommodation & Conferencing Services Operating Expenses	919,555	401,021
Course Consumables, Equipment & Field Trips	28,108	25,796
Purchase, Hire and Repair of Other Equipment	44,615	10,367
IT Maintenance & Software Costs	178,554	154,025
Library Costs	97,969	120,043
Energy Costs	646,453	305,187
Rates and Insurance	493,219	467,873
Refurbishment, Maintenance & Cleaning	364,615	240,489
Telephone	24,894	24,324
Sundry Course Costs	46,822	32,498
Postage, Printing & Stationery	39,577	10,209
Advertising and Recruitment	49,014	48,357
Validation Costs to QUB	438,445	424,588
External Examiner Costs	4,838	6,244
Internal Audit Services	22,097	22,097
Auditors Remuneration in respect of:		
- External Audit Services	14,400	6,600
- Other Audit Services	1,212	1,332
Other Professional Fees	18,606	46,787
Occupational Health Service	12,826	13,892
Staff Training and Development	40,122	28,738
Widening Participation & College Bursary Costs	115,949	93,315
Additional Bursary Costs	990	110,385
Research & Funded Project Costs	266,602	17,374
Publications & Subscriptions	75,735	77,653
Travel Costs Including Student Placements	43,341	12,189
Covid-19 Related	13,952	302,767
Other	92,053	107,103
	<u>4,094,563</u>	<u>3,111,253</u>

11 EXCEPTIONAL ITEM

At 31 July 2017 a revaluation review was carried out on the carrying value of the College Land by Land and Property Services. Upon assessment it was determined that the carrying value held within the financial statements exceeded the current market value at that time by £11.73m resulting in an impairment charge.

A subsequent revaluation review was carried out by Land and Property Services at 31 July 2022. This resulted in the land increasing in value by £560k compared to the valuation carried out at 31 July 2017. This has resulted in the impairment loss recognised in 2017 being partially reversed resulting in an Exceptional Item reducing the overall expenditure and an increase to the land asset carrying value as noted in Note 13.

12 TAXATION

The University College did not incur any taxation liability during the period (2021: £Nil).

13 FIXED ASSETS

	Freehold Land and Buildings £	Equipment £	Vehicles £	Total £
Cost:				
At 1 August 2021	73,556,373	3,088,635	99,059	76,744,067
Additions	441,158	568,576	-	1,009,734
Disposals	-	-	-	-
At 31 July 2022	73,997,531	3,657,211	99,059	77,753,801
Depreciation and Impairment:				
At 1 August 2021	33,446,925	2,738,732	68,349	36,254,006
Partial reversal of prior impairment (Note 11)	(560,000)	-	-	(560,000)
Charge for the year	867,920	263,550	7,929	1,139,399
Disposals	-	-	-	-
At 31 July 2022	33,754,845	3,002,282	76,278	36,833,405
NBV 31 July 2022	40,242,686	654,929	22,781	40,920,396
NBV 31 July 2021	40,109,448	349,903	30,710	40,490,061
Inherited	26,425,302	-	-	26,425,302
Financed by Capital Grant	10,845,542	586,697	11,036	11,443,275
Other	2,971,842	68,232	11,745	3,051,819
NBV 31 July 2022	40,242,686	654,929	22,781	40,920,396

A review of the value of Land and Building assets was carried out as at 31 July 2017 by Land & Property Services and valued the land at £17.77m. Following a further valuation, undertaken by Land & Property services at 31 July 2022, the value of the land has increased to £18.33m resulting in a partial reversal of a prior impairment by £560k as noted in Note 11. Buildings were assessed for valuation and determined that the overall carrying value of the buildings did not exceed the current market value and thus no impairment charge was identified in the year to 31 July 2022. The review also included an assessment of the remaining useful lives of the College buildings. This has resulted in the remaining useful life being increased on a number of buildings resulting in a lower annual depreciation charge.

The book values of University College Buildings 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 £37,270,844 (2021: £37,097,971), equipment of net book value of £586,697 (2021: £314,068) and vehicles with a net book value of £11,036 (2021: £14,714) have been financed by exchequer funds. Under the Management Statement/Financial Memorandum prior consent of the Sponsoring Department is required where the disposal of land and/or buildings is proposed. All receipts derived from the sale of land and buildings must be declared to the Sponsoring Department, which will consult with the Department of Finance on the appropriate budgeting treatment.

14 TRADE AND OTHER RECEIVABLES

	2022	2021
	£	£
Debtors	178,112	36,341
Prepayments & Accrued Income	529,210	273,609
	<u>707,322</u>	<u>309,950</u>

15 CASH AND CASH EQUIVALENTS & ANALYSIS OF CHANGES IN NET FUNDS

	2021	Cashflow	2022
	£	£	£
Cash at Bank and in Hand	1,577,727	(52,501)	1,525,226
Short Term Deposits	3,750,000	254,533	4,004,533
	<u>5,327,727</u>	<u>202,032</u>	<u>5,529,759</u>

16 CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2022	2021
	£	£
Creditors and Accruals	1,248,784	971,368
Payments Received in Advance	40,062	43,149
Deferred Capital Grants – Land & Buildings	756,807	820,050
Deferred Capital Grants – Equipment	223,991	136,837
Deferred Capital Grants – Vehicles	3,679	3,679
Deferred Income	128,856	250,777
Social Security and Other Tax Payable	289,596	255,783
	<u>2,691,775</u>	<u>2,481,643</u>

17 CREDITORS: AMOUNTS DUE AFTER ONE YEAR

	2022 £	2021 £
Deferred Capital Grants – Land & Buildings	17,011,640	17,335,525
Deferred Capital Grants – Equipment	362,706	177,231
Deferred Capital Grants – Vehicles	7,357	11,035
	<u>17,381,703</u>	<u>17,523,791</u>

18 DEFERRED CAPITAL GRANTS

	Land & Buildings £	Equipment £	Vehicles £	Total £
Balance as at 1 August 2021	18,155,575	314,068	14,714	18,484,357
Received / receivable in the year from the Sponsoring Department	363,462	508,839	-	872,301
Released to Statement of Comprehensive Income & Expenditure	(750,588)	(236,211)	(3,679)	(990,478)
Balance as at 31 July 2022	<u>17,768,449</u>	<u>586,696</u>	<u>11,035</u>	<u>18,366,180</u>

Disclosed as:

	2022 £	2021 £
Creditors: Amounts due within one year (Note 16)		
Deferred Capital Grants – Land & Buildings	756,807	820,050
Deferred Capital Grants – Equipment	223,991	136,837
Deferred Capital Grants – Vehicles	3,679	3,679

Creditors: Amounts due after one year (Note 17)

Deferred Capital Grants – Land & Buildings	17,011,640	17,335,525
Deferred Capital Grants – Equipment	362,706	177,231
Deferred Capital Grants – Vehicles	7,357	11,035
	<u>18,366,180</u>	<u>18,484,357</u>

19 PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £	2021 £
Net Pension Liability	521,000	7,860,000
	<u>521,000</u>	<u>7,860,000</u>

20 STATEMENT OF MOVEMENT IN RESERVES

	Trust £	General £	Pension £	Total £
Balance as at 31 July 2020	2,029	25,515,973	(11,243,000)	14,275,002
Retained Surplus	-	3,987,302	-	3,987,302
Actuarial Gain on Pension Liability	-	(4,569,000)	4,569,000	-
Pension Reserve Transfer	-	1,186,000	(1,186,000)	-
Balance as at 31 July 2021	2,029	26,120,275	(7,860,000)	18,262,304
Retained Surplus	-	8,300,695	-	8,300,695
Actuarial Gain on Pension Liability	-	(8,606,000)	8,606,000	-
Pension Reserve Transfer	-	1,267,000	(1,267,000)	-
Balance as at 31 July 2022	2,029	27,081,970	(521,000)	26,562,999

21 POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no material post Statement of Financial Position events.

22 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 £1,191,792 (2021: £1,128,890). FRS102 adjustments in the year amounted to a charge of £1,139,000 (2021: £1,032,000).

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 2022 was £879,743 (2021: £861,437) of which employer's contributions totalled £623,676 (2021: £608,516) and employees' contributions totalled £256,067 (2021: £252,921). The employer contribution rate continued at 25.1% for the duration of the financial year from its implementation in April 2019. 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 2022 was £768,526 (2021: £695,685) of which employer's contributions totalled £568,116 (2021: £520,374) and employees' contributions totalled £200,410 (2021: £175,311).

The latest valuation was carried out on 31 March 2022 by the Committee's Actuary, Aon Hewitt. The Employer's contribution rate will continue at 19.5% until March 2023. Following the results of the March 2022 valuation the Employer's contribution rate will drop to 19% from April 2023 and continue at this level for the following three years. 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.

Asset Returns

Asset returns over the accounting period have been lower than expected. This has led to a loss on assets over the accounting period and a worsening in the balance sheet position.

Financial Assumptions

There has been a change to the financial assumptions over the year. The discount rate has increased by 1.80%, the CPI inflation assumption has increased by 0.10% and the salary increase assumption has increased by 0.10%. This has resulted in a lower pension scheme liability leading to a higher net asset position within the Statement of Financial Position than if the financial assumptions at the start of the period had been used. The impact of this change is recognised in Other Comprehensive Income.

Demographic assumptions

There has been a change to the post-retirement mortality assumptions to allow for the effect of Covid-19 on the future development of mortality rates. This has had a positive effect on the balance sheet position equivalent to around 1% of the defined benefit obligation.

Principal Actuarial Assumptions

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

	2022	2021
Pension Increase Rate	2.7%	2.6%
Salary Increase Rate	4.2%	4.1%
Discount Rate	3.5%	1.7%
Pension Accounts revaluation rate	2.7%	2.6%
CPI Inflation	2.7%	2.6%

The mortality assumptions at the accounting date are based on actual mortality experience of members within the Fund based on analysis carried out as part of the 2019 Actuarial Valuation and allow for expected future mortality improvements. Sample life expectancies at age 65 in normal health resulting from these mortality assumptions are summarised below. At this accounting date the assumed rates of future mortality have been increased to reflect a slightly more negative outlook as a result of the Covid-19 pandemic.

	2022 Male years	2022 Female years	2021 Male years	2021 Female years
Current pensioners	21.8	25.0	21.9	25.1
Future pensioners	23.2	26.4	23.3	26.5

The fair value of the assets in the scheme were:

	Assets at 31 July 2022 £'000	Assets at 31 July 2021 £'000
Equities	10,481	12,747
Government Bonds	6,234	7,997
Corporate Bonds	599	3,807
Property	3,349	2,626
Multi Asset Credit	3,458	-
Cash	1,906	1,416
Other	1,198	915
Total	27,225	29,508

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

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

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Fair Value of Scheme Assets	27,225	29,508
Present Value of Scheme Liabilities	(27,746)	(37,368)
Net Underfunding in Funded Plan	(521)	(7,860)

Disclosed as:

Liabilities	(521)	(7,860)
Assets	-	-
Net Pension Liability	(521)	(7,860)

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

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Current Service Cost	1,708	1,554
Net Interest Cost	128	154
Past Service Cost	-	-
Curtailments and Settlements	-	-
Closing Balance	1,836	1,708
Actual Return on Plan Assets	(2,253)	4,393

Reconciliation of Defined Benefit Obligation:

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Opening Defined Benefit Obligation	37,368	36,450
Current Service Cost	1,708	1,554
Past Service Costs	-	-
Interest Expense on Defined Benefit Obligation	630	506
Actuarial Gains on liabilities	(11,361)	(528)
Contributions by Members	200	174
Impact of Settlements and Curtailments	-	-
Net Benefits Paid	(799)	(788)
Closing Balance	27,746	37,368

Reconciliation of Fair Value of Employers Assets:

	Year Ended 31 July 2022 £'000	Year Ended 31 July 2021 £'000
Opening Fair Value of Employers Assets	29,508	25,207
Interest Income on Assets	502	352
Contributions by Members	200	174
Contributions by the Employer	569	522
Contributions in Respect of Unfunded Benefits	-	-
Actuarial (Losses)/Gains	(2,755)	4,041
Impact of Settlements and Curtailments	-	-
Estimated Unfunded Benefits Paid	-	-
Net Benefits Paid	(799)	(788)
Closing Balance	27,225	29,508

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

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Present Value of Employers Assets	27,225	29,508	25,207	23,311	21,885
Present Value of Defined Benefit Obligation	(27,746)	(37,368)	(36,450)	(31,254)	(26,428)
Deficit on the Scheme	(521)	(7,860)	(11,243)	(7,943)	(4,543)

23 CAPITAL COMMITMENTS

	2022 £	2021 £
Commitments Contracted at 31 July	699,298	-
	699,298	-

Capital commitments relate to the Boundary Wall capital project which is ongoing at the end of July 2022.

24 CONTINGENT LIABILITY

There were no contingent liabilities at the Statement of Financial Position date.

25 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.

26 OTHER FUNDS**Support Fund**

	2022	2021
	£	£
Opening Balance	4,723	2,923
Sponsoring Department Grant - normal	36,000	36,000
Sponsoring Department Grant – one off allocation	25,000	52,000
Transferred from College Trust	-	-
Disbursed to Students, Dyslexia Services and other costs	(61,515)	(86,200)
Balance unspent at 31 July	4,208	4,723
Amount returned to DfE	-	-
Closing Balance	4,208	4,723

In the 2021-22 financial year the Sponsoring Department allocated £36,000 (2021: £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.

An additional £25,000 (2021: £52,000) of support was made available to the University College during the financial year to further support students.

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 2022 was £29,337 (2021: £30,142).

As the Trust is a separate legal entity it is not incorporated in the Statement of Financial Position of the University College.

27 AGENCY AGREEMENTS

During the current year the University College did not act as an agent or make any agency payments (2021: £432,500).