

Stranmillis University College

A College of Queen's University Belfast.

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025

ADVISORS

Principal and Chief Executive:	Professor J Heggarty
Current External Auditor from March 2025:	Cooper Parry Audit (Ireland) Limited 36-38 Northland Row Dungannon Co Tyrone BT71 6AP
Previous External Auditor:	Grant Thornton (NI) LLP 12 – 15 Donegall Square West Belfast BT1 6JH
Internal Auditor:	SCC Chartered Accountants Limited 17 College Street Armagh BT61 9BT
Solicitors:	Carson McDowell Murray House 4 Murray Street Belfast BT1 6DN
Bankers:	Danske Bank Donegall Square West Belfast BT1 6JS
Principal Address:	Stranmillis University College Stranmillis Road Belfast BT9 5DY

CONTENTS

	Page
Governors	4
Report of the Governing Body	5 - 16
Governance Statement	17 - 29
Statement of Responsibilities of the Governing Body	30 - 31
Report of the Independent Auditor	32 - 35
Statement of Comprehensive Income and Expenditure	36
Statement of Changes in Reserves	36
Statement of Financial Position	37
Cash Flow Statement	38
Notes to the Accounts	39 - 56

GOVERNORS

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

Name	Appointed From	Term of Office	Status	Committees
Mr E Jardine CB, MSc, BSc	1 January 2022	31 December 2025	Chair of the Governing Body	Member Education Committee Member HR & Remuneration Committee Member Finance & General Purposes Committee
Mrs H Miller MBA BA PGDE PG Dip Law SFHEA	1 September 2019	31 August 2027	Vice-Chair of Governing Body	Member Audit & Risk Assurance Committee Member HR & Remuneration Committee
Professor J Heggarty MBE, BSc, PHD, PGCFHE, MCGI	20 September 2021	For period of appointment	Principal and Chief Executive	None
Dr A Brown BEd, MSc, PhD, FCIEA, FColIT, FRSA	4 November 2014	3 November 2026	Academic Staff Representative	None
Mr D Feely BSc, MA	1 April 2021	31 March 2025	Support Staff Representative	None
Mr A Irwin	1 June 2024	31 May 2025	Student Representative	Observer Education Committee
Miss J Martin	1 June 2025	31 May 2026	Student Representative	Observer Education Committee
Mr P Weil MA Fellow RTS	1 September 2019	25 June 2025	Member	Chair Finance & General Purposes Committee until October 2024
Ms M Corrigan BA MBA PGCE PGDip	1 September 2019	31 August 2027	Member	Member Audit & Risk Assurance Committee Interim Chair January to May 2025
Dr L Boyce BEM BA BSc CMCIPD MCMi MSc PhD PMDip	1 July 2020	30 June 2028	Member	Chair HR & Remuneration Committee Member Finance & General Purposes Committee
Dr M Bennett PhD MEd DASE PGCE BA	1 July 2020	30 June 2028	Member	Chair Education Committee
Mr A Diver LLB	1 April 2023	31 March 2027	Member	Chair Finance & General Purposes Committee from October 2025 Member HR & Remuneration Committee
Mrs P Leitch BA, D.A.S.E., MEd, PQH (NI)	1 April 2023	31 March 2027	Member	Member Education Committee Member Audit & Risk Assurance Committee
Mrs K Scott MSc BEd (Hons)	1 April 2023	31 March 2027	Member	Member Education Committee
Mr R Drennan MBE, BA(Hons), MSt, MSc	1 April 2023	31 March 2027	Member	Member Finance & General Purposes Committee
Mr S Snodden FCA	1 April 2023	31 March 2027	Member	Chair Audit & Risk Assurance Committee excluding January to May 2025
Ms U Nic Eoin	1 April 2023	31 March 2027	Member	Member Audit & Risk Assurance Committee
Mrs W Fee BA, MBA	1 April 2023	3 May 2025	Member	Member Education Committee

1 REPORT OF THE GOVERNING BODY FOR THE YEAR ENDED 31 JULY 2025

Introduction

- 1.1 The Governing Body of Stranmillis University College hereby presents its annual report and financial accounts for the year ended 31 July 2025, in accordance with its oversight responsibilities.

Purpose

- 1.2 Founded in 1922, Stranmillis University College is a Higher Education Institution dedicated to teacher education in Northern Ireland.

The principal academic offerings include:

- BEd (Honours) in Initial Teacher Education
- BA in Early Childhood Studies
- BSc in Physical Education and Sport
- Postgraduate Certificate in Early Years Education (PGCE)
- Foundation Degrees in collaboration with the Further Education sector
- Master's level courses
- Doctorate in Educational Professional Practice

All of the University College's award bearing programmes are validated by Queen's University, Belfast (QUB).

- 1.3 The University College also delivers a range of short courses through its Lifelong Learning initiatives and Continuing Professional Development programmes.
- 1.4 Over the years, the University College has developed an International Strategy, updated in 2022-2023, and currently collaborates with several overseas partners.
- 1.5 The University College achieved commendable outcomes in both the 2014 and 2021 Research Excellence Framework. The University College continues to strengthen its research profile, particularly through the Centre for Research into Educational Underachievement which focuses largely on diversity and inclusion.

Vision, Mission and Values

- 1.6 The University College's mission is 'to transform the lives of children, young people and communities, through excellence in teaching, research and scholarship.'

Its vision is 'to be a leading institution with a reputation for excellence in the field of teacher education and related professions; driving innovative professional practice that will:

- Shape education
- Unlock potential
- Connect locally and globally
- Build better futures

- 1.7 The following core values underpin the culture and behaviours within the University College and support the University College in meeting its aims and objectives, providing the foundation for achieving the University College's mission:

STDENTS at the centre - we place our students at the centre of our planning and our future.

TTEAMWORKING - we value working with others and the benefits that collaboration brings.

RESPECT for everyone - we promote social responsibility and respect by listening to and valuing all within and without our University College community.

AMBITION for our students, our staff, our collaborators and our community - we are ambitious for our students, our staff, our University College, our partners and the wider community (including children and young people) as we strive to achieve outstanding outcomes for all.

NURTURING our students, our staff and our environment - we seek to value, encourage and develop all of our students and staff as well as our own physical environment and the world around us.

- 1.8 Staff are fully aware of the University College's core values, which are embedded into all aspects of institutional life and guide expected behaviours.

- 1.9 The University College has pursued its mission during 2024-2025 through the following aims and objectives:

1. **Aim: To deliver outstanding student experiences by:**

- 1.1 Ensuring that all Undergraduate, Postgraduate, Continuing Professional Development and Lifelong Learning programmes meet student and sector needs.
- 1.2 The delivery of outstanding in-person and digital teaching and learning shaped by research and scholarship.
- 1.3 Recruiting high calibre students on core programmes including those currently under-represented in Higher Education.
- 1.4 Providing high-quality, timely services which support student welfare and wellbeing and enable students to achieve their full potential on their programmes, including of study.
- 1.5 Achieving high undergraduate and postgraduate retention and success rates and high post-graduation progression rates.

2. **Aim: To be an employer of choice by:**

- 2.1 Recruiting and retaining high calibre staff.
- 2.2 Investing in the development of staff, including growing leadership capacity within teams.
- 2.3 Maintaining a safe and attractive work (and study) environment for the University College community which promotes wellbeing.

3. **Aim: To be financially and environmentally sustainable by:**

- 3.1 Increasing income including from the following sources:
 - Fee-paying students outside of the Maximum Aggregate Student Number quota including in-person, blended and remote delivery of programmes;
 - Hospitality, Accommodation and Conferencing Services and use of the campus physical resources;
 - Research and scholarship; and
 - Additional public and private sector projects and partnerships.

- 3.2 Developing and sustaining a high-quality learning and working environment, including digital infrastructure and outdoor facilities.
- 3.3 Continuing to meet the requirements of the University College's Management Statement / Financial Memorandum (or any replacement agreement).
- 3.4 Continuing to operate an effective system of corporate governance, risk management and internal control and ensuring effective University College management.

4 Aim: To impact wider society by:

- 4.1 Developing and nurturing effective local, national and international partnerships.
- 4.2 Focusing research and scholarship to shape teaching, inform policy and change practice.
- 4.3 Promoting and delivering Continuing Professional Development and Lifelong Learning.
- 4.4 Championing the use of technology to enhancing outcomes in education.

Legal Status

- 1.10 The University College was established in 1922 under the Ministries of Northern Ireland Act 1921.

The University College was created as an incorporated institution by virtue of the Colleges of Education (NI) Order 2005 which received parliamentary approval on 19 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. As a result of this classification, the University College, uniquely for a Higher Education Institution within the United Kingdom, was 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 Partnership Agreement (March 2025) agreed with the Department and 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 Partnership Agreement.

- 1.11 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.

- 1.12 Despite operating in a challenging environment, the University College's progress and achievements during the reporting period are particularly commendable.

Financial Results for the Year

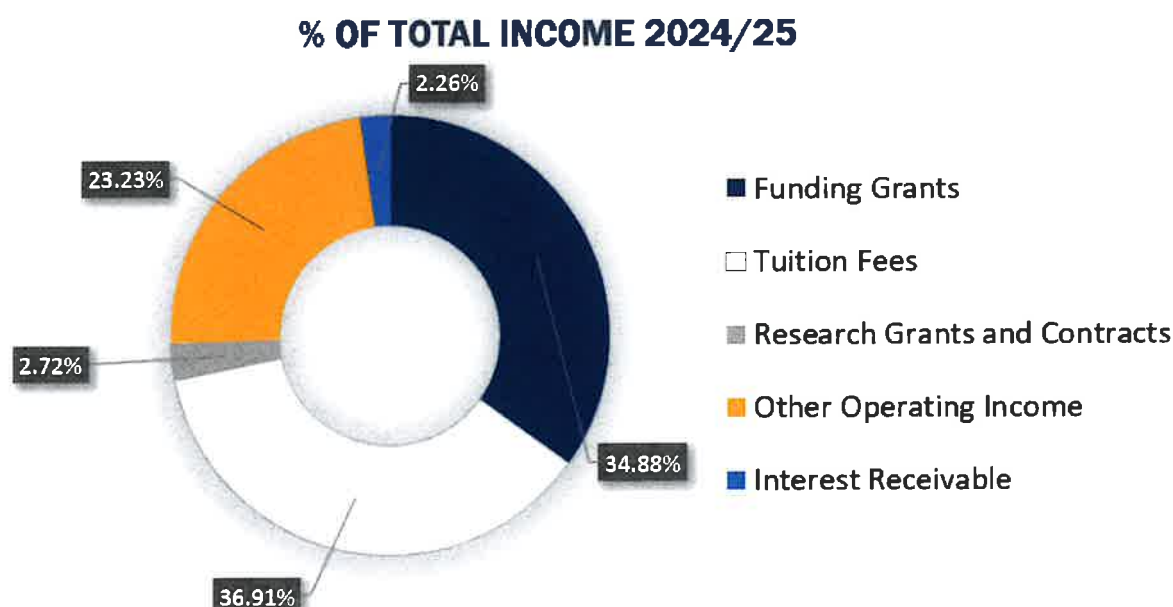
1.13 These financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, Financial Reporting Standards (FRS102), the Partnership Agreement between the Sponsoring Department and the University College and also the Accounts Direction issued by the Sponsoring Department.

1.14 The University College's Income, Expenditure and Results for the year to 31 July 2025 are summarised below:

	2025 £'000	2024 £'000
Total Income	15,223	14,668
Total Expenditure	(15,157)	(13,979)
Operating Surplus	<u>66</u>	<u>689</u>
Actuarial Loss in respect of NILGOSC pension scheme	(41)	(31)
Total Comprehensive Income	<u>25</u>	<u>658</u>

Income

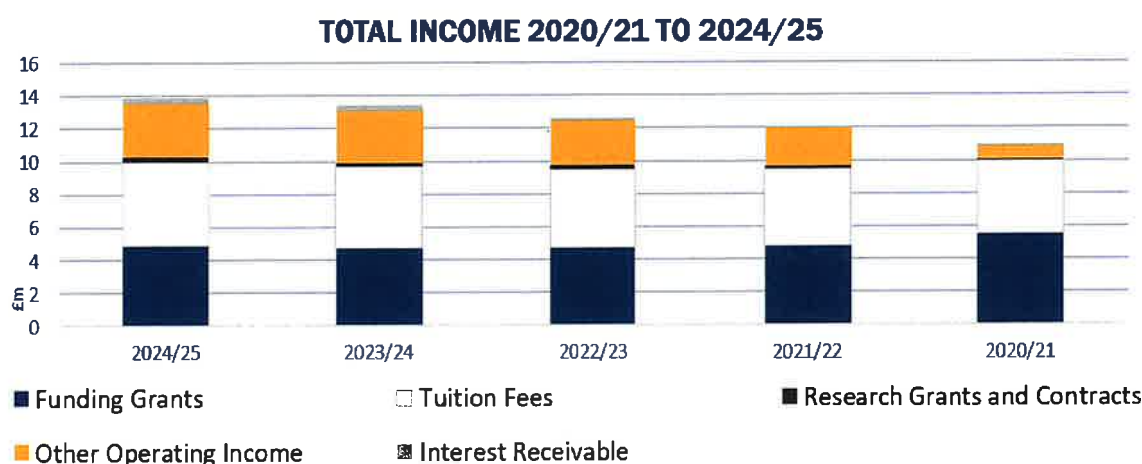
1.15 Total Income for the year was £15,223k representing an increase of £555k (3.8%) on the prior year. The main components of income, excluding deferred capital grant release income, are shown in the chart below.



- 1.16 In interpreting income, readers should note that the Total Funding Grants of £6,171k (2024 - £5,961k) includes £1,322k (2024 - £1,246k) 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 8.7% (2024 - 8.5%) of amounts recorded as Total Income in the year. Overall, the Recurrent Grant funding received from the Sponsoring Department has reduced by £33k compared with the prior year. There was a reduction of £109k in relation to additional students that were funded in previous years following the A-Level grading issues experienced during Covid. The affected cohort of students left the College following the completion of the 2023-2024 year and the funding was reduced accordingly during 2024-2025. Offsetting this the College secured an additional £77k of funding to assist with the higher Teachers' Pension Scheme employer contribution pressures experienced during the 2024-2025 year. Research Funding received from the Sponsoring Department has increased by £7k to £35k (2024 - £28k) due to one off non-recurrent allocations being received in the current year.

Other Sponsoring Department Funded Grant Income of £250k (2024 - £86k) included £40k (2024 - £31k) in relation to administrative and marketing support for the SkillUp Masters programme. The associated tuition fee income earned from this programme is included in the Tuition Fees section. Two programmes continued during the 2024-2025 year – the StepUp project and Multiply project resulting in £202k (2024 - £54k) of income recognised during the year. A further £8k was received during the year from the Departmental International Development Fund to take a group of ECS students to Billund, Denmark which provided valuable insights into innovative, play-based and outdoor early years education. The visit also strengthened international engagement and contributed to strategic enhancements in outdoor learning provision at the University College.

The chart below shows the trends in total income (excluding deferred capital grant release) over the last five years. The 2024-2025 year represents the highest income earned in the last five years and shows a continued upward trajectory.



- 1.17 Tuition Fee income of £5,131k increased by £152k in the year (2024 - increase of £181k) with full-time tuition and part-time fee income increasing by 1.6% and 8.9% respectively. Part-time fee income has increased due to an increase in Foundation degree level income, an increase in Study Abroad activity and the introduction of the new Doctorate in Educational Studies which was rolled out during 2024-2025. Tuition Fee income contributed 33.7% (2024 – 33.9%) of Total Income.
- 1.18 Overall Research Income has increased to £378k representing a £134k or 54.9% increase on the prior year. The number, scale and duration of research projects varies considerably over time. However, the

University College continues to enjoy good success in this area. For example, in 2024-2025, there were 30 projects generating income (2024 – 18 projects) with 8 of these projects each generating over £15k of income (2024 – 6 projects).

- 1.19 Overall, Residence and Catering Operations income, under the management of the Hospitality, Accommodation and Conferencing Services Department, contributed £2,716k or 17.8% of Total Income in the year (2024 - £2,701k or 18.4%).

Of this, Halls of Residence income (including both students and conferencing business) was £2,209k (2024 - £2,266k) and reflects largely full student occupancy throughout the academic year with improved conferencing business being carried out outside term time. Facility Hire income and Catering income were £308k (2024 - £211k) and £199k (2024 - £313k) respectively.

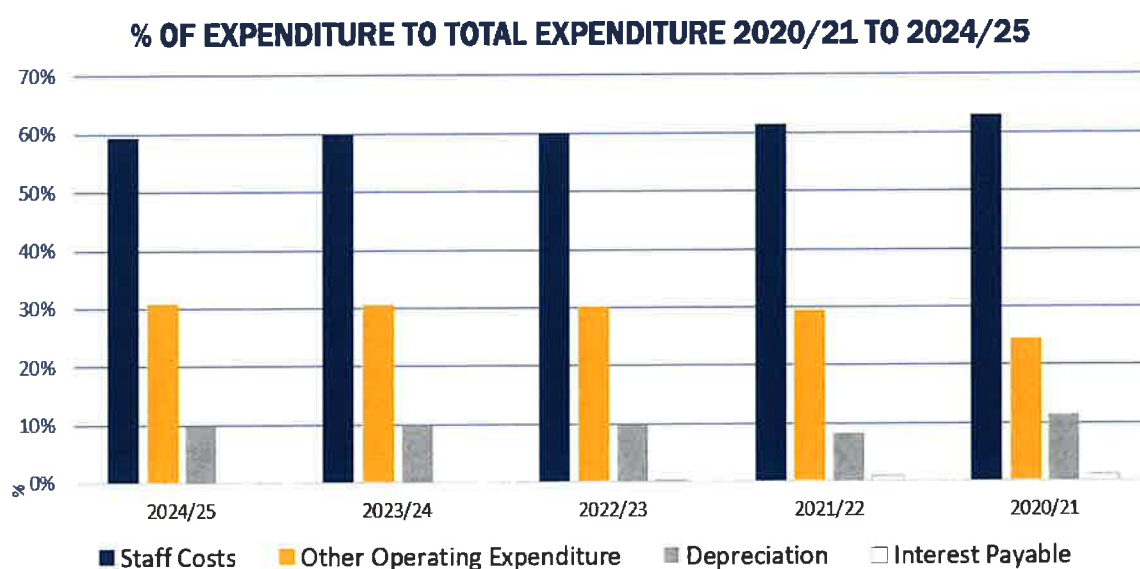
- 1.20 Other Grant Income of £106k has been recognised in the current year (2024 - £72k). Sundry Other Income has increased by £39k (14.8%) to £302k in the year (2024 - £263k).

- 1.21 Interest Receivable has reduced slightly to £314k from £335k in the prior year. The current year figure includes £17k in relation to the pension scheme actuarial valuation (2024 - £15k). The remaining £297k of interest receivable was earned on current account balances and fixed term deposits.

- 1.22 Income of £3,921k or 25.8% (2024 – £3,728k or 25.4%) of Total Income in the year was derived from sources other than Sponsoring Department Funding Grants and Tuition Fee. 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

- 1.23 Total Expenditure for the year totalled £15,157k representing an increase of £1,178k (8.4%) on the prior year. The most significant element is Staff Costs which equates to 59% of Total Expenditure (2024 – 60%). The chart below shows the breakdown of total expenditure (excluding any Exceptional Items) over the last five years.



- 1.24 When the impact of the annual FRS102 NILGOSC pension scheme actuarial valuation is removed, Staff Costs increased by £644k or 7.7% on the prior year.

- 1.25 Other Operating Expenditure of £4,672k increased by £406k or 9.5% on the previous year (2024 increased by £82k and 2%).

The most significant increase in operating expenditure has been in relation to Refurbishment, Maintenance & Cleaning costs which have increased by £230k (38%).

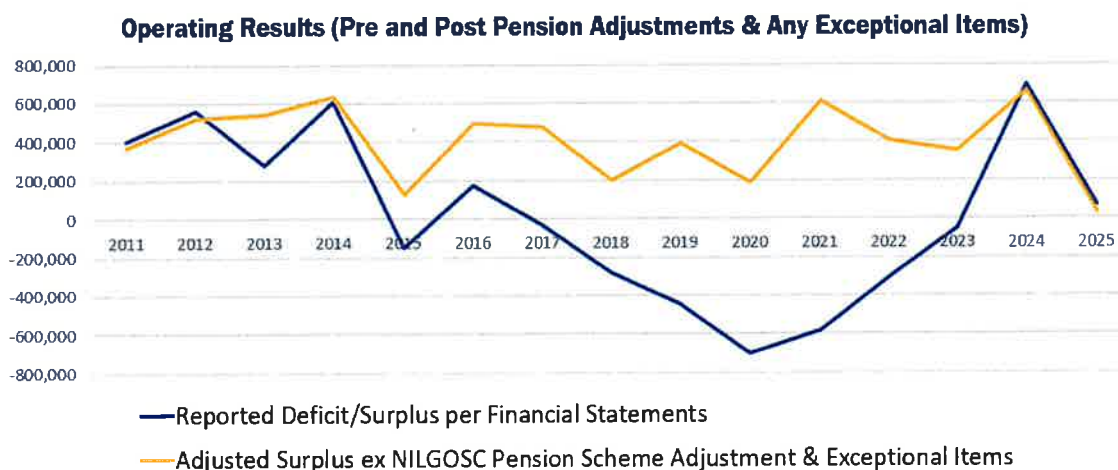
Rates & Insurance costs have increased by £58k (11.8%) compared to the prior year largely as a result of rates rebate received in the previous year. The current year charges have returned to a more normal level. Insurance costs continue to increase in line with general market conditions.

Research Project and Funded Project costs have increased by £96k (440%) and £73k (47%) respectively which reflect the increased activity both within the Research Office and in relation to the StepUp and Multiply Departmentally funded projects.

- 1.26 Depreciation & Amortisation costs of £1,490k (2024 - £1,353k) increased by £137k or 10.1%. Depreciation & Amortisation charges represented 9.8% (2024 - 9.7%) of Total Expenditure. These costs are substantially offset by the related Deferred Capital Grant income release of £1,322k (2024 - £1,246k) resulting in a net depreciation charge of £168k (2024 - £107k).
- 1.27 Included within the Statement of Comprehensive Income and Expenditure is a credit of £41k (2024 - £31k) relating to the FRS102 accounting adjustment required as a result of annual actuarial valuation of the NILGOSC pension scheme.
- 1.28 Adjusting for the impact of the FRS102 NILGOSC pension scheme actuarial valuation, an operating surplus of £25k was achieved (2024 - £658k) as shown below:

	2025 £'000	2024 £'000
Reported Operating Surplus	66	689
NILGOSC actuarial valuation credit	(41)	(31)
Operating Surplus after adjustments	25	658

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 any Exceptional Items) generated over recent years compared with the reported financial deficit / surplus.



Statement of Financial Position

- 1.29 Overall the Statement of Financial Position shows a Net Asset Position of £28,378k (2024 – £28,352k). As the NILGOSC pension position has remained unchanged as an unrecognised asset the increase in Net Assets is purely due to the surplus generated during the year. Despite funding further capital projects during the year, cash holdings and short-term deposits also remain strong at £6,122k (2024 - £6,727k). As noted above General Reserves have been strengthened by £25k (2024 - £658k) in the year to £28,378k (2024 - £28,352k) as shown below:

	2025 £'000	2024 £'000
Reported Operating Surplus	66	689
NILGOSC Actuarial credit	(41)	(31)
Increase in General Reserves	<u>25</u>	<u>658</u>

Cash Flow

- 1.30 The Cash Flow Statement shows a net decrease in cash of £606k (2024 – £1,048k) to £6,122k (2024 - £6,727k).

Capital Investment

- 1.31 During the year the University College invested £2,401k in building works (2024 - £470k), £624k in equipment (2024 - £90k) and £12k in intangibles purchases (2024 - £nil). The most significant building capital investment during the year related to the start of the construction on the new sports pitches and renovation of the associated changing space on campus. A significant project also commenced in relation to fire health and safety works in the halls of residence and some minor works projects.

The most significant investment in Equipment included spend in relation to the upgrade of the University College wide WiFi network and an upgrade to the audio-visual equipment in the Drama Theatre.

An Intangible asset was recognised in the current year in relation to the commencement of a project to replace the University College Finance system.

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

- 1.32 In the current year, the University College received Sponsoring Department capital grants of £2,147k in relation to building works (2024 - £669k), £558k in relation to equipment purchases (2024 - £80k), £10k in relation to intangibles (2024 - £nil) and £nil in relation to vehicle purchases (2024 - £37k).

Prompt Payment

- 1.33 The Late Payments of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998 requires the University College, 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%.
- 1.34 During the accounting period 1 August 2024 - 31 July 2025, the University College paid 98% of its invoices within 30 days (2024 - 98%). The University College incurred no interest charges in respect of late payment for this period.

- 1.35 The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2024 - 31 July 2025, the University College paid 86% of its invoices within 10 days (2024 - 87%).

Principal Risks and Uncertainties

- 1.36 Outlined in the Governance Statement in the table at paragraph 2.36 is a description of the principal risk factors identified during 2024-2025 that may impact on the achievement of the corporate objectives as set out in the University College's Corporate Plan 2022-2025. It is acknowledged that certain risk factors lie beyond the direct control of the University College.
- 1.37 A key issue for the University College continues to be considerable budget constraints across NI Government Departments and consequential budget constraints in relation to Higher Education. These constraints continue to 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, higher levels of inflation generally, are putting further pressure on budgets. In response, the University College continues to explore a range of measures in order to ensure that it is best placed for the future.

- 1.38 Notwithstanding these pressures, Key Performance Indicator (KPI) performance for 2024-2025 was as follows:

- 95% of the KPIs were either achieved or likely to be achieved (77% in prior year)
- 3% were substantially achieved (6% in prior year)
- 0% data not available (14% in prior year); and
- 3% were not achieved (3% in prior year)

- 1.39 As outlined in more detail in the Governance Statement, a Risk Register is maintained at corporate level which is reviewed at meetings of the Governing Body and the Audit and Risk Assurance Committee.

Stakeholder Relationships

- 1.40 In alignment with practices across other Higher Education Institutions, the University College maintains relationships with a diverse range of stakeholders. These include staff, students, the Department for the Economy, the Department of Education, and other education institutions such as Queen's University Belfast and St Mary's University College Belfast, Further Education Colleges and schools, trade unions, professional bodies, private sector employers, the voluntary and community sector, and its local residents.
- 1.41 The University College is committed to fostering positive and constructive relationships with all stakeholders. Engagement is facilitated through multiple channels, including the University College website, formal meetings, and representation on external stakeholder groups and committees. Recognising the importance of effective communication, the University College has developed a comprehensive Communications policy. This is supported by ongoing marketing and public relations efforts aimed at continuous improvement and the promotion of its academic programmes, as well as its hospitality, accommodation and conferencing services.
- 1.42 Staff and student participation is actively encouraged through various forums, including representation on the Governing Body and Operational Committees.

Diversity and Equality Statement

1.43 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.

1.44 In addition to its statutory obligations, the University College also considers the desirability of promoting good relations among individuals of different religious beliefs, political opinions, or racial group. This commitment is integrated into the corporate planning process.

1.45 The University College is fully committed to fulfilling its Section 75 obligations in all areas of the organisation. It allocates the necessary resources to ensure compliance with statutory duties and effective, timely implementation of measures outlined in the Equality Scheme.

1.46 Regarding its student body, the University College is dedicated to fostering an inclusive, fair, and welcoming environment for individuals from all community backgrounds, ethnic groups, and for people with disabilities. Diversity is embraced as a core value, and equality is actively promoted and valued throughout the organisation.

1.47 In recognition of the increasing diversity within the school population, the University College prepares student teachers for diverse classrooms. Students engage in substantial school placements annually as part of their degree programme, enhancing their understanding of teaching in diverse settings.

Engagement in professional modules such as Personal and Professional Learning, Learning in Diverse Classrooms, and Diversity and Inclusion further supports student development in diversity awareness. Collaboration with external cultural organisations also enriches student knowledge and sensitivity.

1.48 Online equality training is systematically provided to all staff.

1.49 Policies undergo equality screening to ensure they do not adversely impact any of the nine protected groups.

1.50 Decision-making at the University College is guided by principles of equality and diversity. Governing Body papers include relevant equality and diversity implications, where appropriate, and annual reports are submitted to the HR and Remuneration Committee and the Equality Commission for Northern Ireland.

1.51 The University College submits an annual Widening Participation report to the Sponsor Department. Its Widening Access and Participation Plan (WAPP) outlines two Strategic Objectives: Aspiration and Access, and Entry, Retention, and Employability.

To achieve these objectives, the University College collaborates with corporate and academic teams, partner schools, and stakeholders to design, implement, and evaluate targeted interventions. These initiatives aim to attract students from under-represented groups, including those from lower MDM Quintiles, disabled persons, and care-experienced young people.

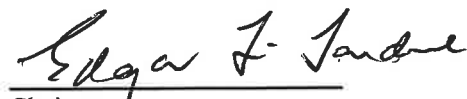
- 1.52 The University College continues to implement actions outlined in its Disability Action Plan, which is regularly reviewed and reported annually to the Equality Commission NI.
- 1.53 The University College takes all reasonable steps to accommodate staff during recruitment and employment. It also supports staff who acquire disabilities during employment by providing appropriate assistance.
- 1.54 The University College ensures that staff are provided with Disability Awareness Training.
- 1.55 The University College promotes diversity through adherence to Chartermark standards. It is a registered 'Disability Confident Employer', recognising the value that individuals with disabilities bring to the workplace. Additionally, it has endorsed the Equality Commission Mental Health Charter and is developing a Mental Health Charter for staff and students.
- 1.56 The University College conducts research on diversity and equality through the Centre for Research in Educational Underachievement. Recent studies include topics such as newcomer children's wellbeing, refugee support in schools, online experiences of diverse youth, equity in early childhood education, SEN / inclusion policy across the UK and Ireland widening participation in Higher Education, post-19 provision for young people with SEN, and the attitudes to learning of children and young people from disadvantaged communities.
- 1.57 The University College partners with schools serving high numbers of newcomer children, placing students in multicultural settings for Primary Languages, International Students, and BEd programmes.
- 1.58 BEd students frequently undertake research dissertations focused on issues affecting newcomer and refugee children, collecting data directly from schools.
- 1.59 The curriculum includes comparative education, cultural and linguistic diversity, and strategies for supporting newcomer and refugee children in Education Studies.

Investing for the Future

- 1.60 During 2024-2025, the University College has continued to invest in 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. The University College continues to explore opportunities for funding that will ensure it continues to invest in the future of the Institution.
- 1.61 The University College continued with investment in its campus throughout 2024-2025. This included the commencement of the new upgrade of our sports pitches and changing facilities, with completion due in Dec 2025. The upgrade of fire compartmentation in Halls was completed in summer 2025. The old gas boilers in refectory building were replaced with new high efficiency gas boilers in summer 2025. In June/July 2025 Phase 2 of the College Branding Project for Student Support and the Library was completed in Central Building and Stran House. Also, significant investment in the upgrade of the College's IT systems included a new WiFi upgrade including the upgrade of the firewall and core switches.
- 1.62 Following the receipt of its 2025-2026 capital allocation from the Sponsoring Department, the main capital projects that the University College plans to undertake during 2025-2026 include the completion of the redevelopment of the existing outdoor sports facilities and provision of associated changing facilities and the completion of the fire safety project within the halls of residence. As a NDPB, the University College is not permitted to use its own funds to progress capital works without Sponsor Department budget cover being in place.

- 1.63 The Governing Body remains committed to maintaining the financial solvency of the University College within the context of its long-term strategy and objectives.
- 1.64 In conclusion, despite the difficult circumstances that continue to prevail, and the risks and uncertainties that exist, overall, during 2024-2025, the University College has delivered a strong performance against its core business commitments, demonstrating its ongoing resilience, commitment to good governance and ultimately the delivery of a quality experience for students in a sustainable environment.

Edgar Jardine



Chairman

26th November 2025

2 GOVERNANCE STATEMENT

Role and responsibility of the Governing Body

- 2.1 The Governing Body of Stranmillis University College fulfils a dual role: supporting the Principal and Chief Executive and staff in delivering the University College's core objectives; and constructively holding them to account for doing so. The Chair provides leadership across both dimensions. In conjunction with the Principal, who serves as Accounting Officer, the Governing Body is responsible for maintaining a robust system of internal control that underpins the achievement of institutional policies, aims and objectives, while safeguarding public and other funds and assets. These responsibilities are defined in the Instrument and Articles of Government and the Partnership Agreement with the Sponsoring Department.

Internal Control and Risk Management

- 2.2 The system of internal control is informed by the University College's Corporate and Business Plans. It is designed to manage, rather than eliminate, the risk of failure to achieve strategic objectives, and therefore offers reasonable, not absolute, assurance of effectiveness.

This system is underpinned by an ongoing process to identify principal risks, evaluate their nature and extend and manage them effectively, efficiently and economically. This process has been operational throughout the year ended 31 July 2025 and remains in place up to the date of approval of the financial statements. It aligns with the updated Orange Book issued by HM Treasury in 2023.

Risk Register and Oversight

- 2.3 A Corporate Risk Register is maintained and reviewed regularly by the Governing Body and Audit and Risk Assurance Committee. Updates to Departmental Risk Registers are also considered by the Finance and General Purposes Committee, the Education Committee and the HR and Remuneration Committee.

The Corporate Risk Register outlines:

- Key risks to the achievement of institutional objectives
- Likelihood and potential to each risk
- Existing controls and mitigation actions
- Assigned risk owners
- Assurance sources

Risks are prioritised using a consistent scoring methodology. Risk management is supported by coaching and awareness initiatives. The Corporate Risk Register is published internally, and staff are encouraged to review their Departmental Risk Registers regularly in line with the Risk Management Policy.

The Risk Management Policy, which includes the Governing Body's Risk Appetite is reviewed annually and is published on the University College's website. The objectives of the Risk Management Policy are to:

- continuously develop risk management and raise the profile of effective management of risk across the University College;
- integrate risk management into the culture and decision making of the University College;
- manage risk, including the determination of the University College's risk appetite and monitoring of its risk profile, in accordance with best practice;
- create effective risk management processes that allow the University College to make risk management assurance statements to the Sponsor Department, with confidence.

Governing Body Effectiveness

- 2.4 Stranmillis University College is committed to best practice in corporate governance and adheres to the principles outlined in the Higher Education Code of Governance, published by the Committee of University Chairs.

The University College substantially complies with all six primary elements of the Code, with annual reviews conducted to assess alignment. The 2024-2025 review was reported to the Governing Body in September 2025.

- 2.5 In June 2024, an independent facilitator was commissioned to evaluate the Governing Body's performance against sector standards. The final report was presented to Members in November 2024. The resulting Governance Action Plan is regularly reviewed to monitor implementation of recommendations.
- 2.6 The Audit and Risk Assurance Committee also conducts an annual effectiveness review, using guidance from the National Audit Office and the Committee of University Chairs. Findings are reported to the Sponsoring Department.

In June 2025, the Audit and Risk Assurance Committee held a closed session to assess its effectiveness against industry benchmarks. Members reviewed twenty thematic areas via a streamlined questionnaire and confirmed that the Committee had effectively discharged its duties, providing narrative for each assessment.

Composition of the Governing Body

- 2.7 The Governing Body currently comprises fifteen Members:
- Eleven lay Members, appointed by DfE through open competition
 - The Principal and Chief Executive
 - One student representative appointed following internal elections
 - Two staff representatives appointed following internal elections

Governing Body Members are not remunerated for their role.

Allocation of Responsibilities

- 2.8 The Governing Body has adopted a Scheme of Delegation, last updated in November 2022 and published on the University College's website. This framework outlines decision-making across the Governing Body, its Committees, and delegated authority to the Principal and Chief Executive, who serves as Accounting Officer.

The Principal has further delegated responsibilities to the four Directors of the University College through a Corporate Scheme of Delegation. These responsibilities include:

- Ensuring propriety and regularity
- Promoting prudent and economical administration
- Avoiding waste and ensuring value for money
- Effective use of resources
- Oversight of staffing and management

Corporate Governance Framework

The University College has an established Corporate Governance Framework which reflects all good practice guidance. The Framework includes the governance structures established within the University College and the internal control and risk management arrangements in place. This includes its Board and Committee structure.

Governing Body Operating Framework

Strategic Oversight

- 2.9 The Operating Framework defines the Governing Body's role in setting strategic direction, monitoring the annual Business Plan, approving major developments, and receiving regular reports from the Principal and senior management on operational matters.

Ethical Standards

- 2.10 The University College subscribes to the principles of public life and has adopted a Code of Conduct for Governing Body Members, reviewed biennially or sooner if required. A Register of Interests is maintained and updated regularly. Conflicts of interest declarations are a standing agenda item all Governing Body meetings and are managed in accordance with the Operating Framework and Committee Terms of Reference.

GOVERNING BODY MEETINGS AND ATTENDANCE

- 2.11 During 2024-2025, the Governing Body met on five occasions. All meetings were quorate. Attendance at meetings was as follows:

Date	Number of Members	Number Attended
25 September 2024	17	13
18 October 2024	14	9
27 November 2024	17	13
26 March 2025	17	13
25 June 2025	16	14

University College Governing Body Activities 2024-2025

Attendance by University College staff was conducted in accordance with the Governing Body's Operating Framework. The Secretary to the Governing Body consulted with the Chair regarding the agenda and any relevant issues before each meeting.

- 2.12 During the 2024-2025 academic year, The Governing Body reviewed a comprehensive range of business, including:
- An independently facilitated report on Governing Body effectiveness and Governance Recommendations Action Plan
 - Reports from the Audit and Risk Assurance Committee, Finance and General Purposes Committee, Education Committee and the HR and Remuneration Committee, as well as updates from the Principal and Student President
 - Finance reports including Management Accounts and Budget
 - National Student Survey outcomes
 - Student enrolments data

- Progress against Key Performance Indicators
- College Business Plan 2024-2025
- Corporate Plan 2025-2028
- Corporate Risk Register and Risk Appetite
- Register of Interests
- Compliance with the Committee of University Chairs Senior Staff Remuneration Code
- Staffing proposals
- Visiting Professors report
- Financial Statements, Audit Findings and signing of the Accounts the year ended 31 July 2024
- Quality Assurance Annual Report and statement
- Annual Statement of Compliance with the Concordat to Support Research Integrity
- Minister for Education's Response to The Independent Review of Education
- Student Union Constitution, Laws and Schedule, and Student Union Accounts
- Partnership Agreement
- Memorandum of Agreement with Queen's University Belfast
- Innovation and Consultancy Services review
- Health and Safety updates
- Annual Report 2023-2024
- Non-Departmental Public Body status
- Annual Audit and Risk Assurance Committee report
- Schedule of Governing Body and Committee meetings for the 2025-2026 academic year, including the Core Programme of Work

2.13 In addition to reviewing compliance with the Committee of University Chairs, Higher Education Code of Governance, the Governing Body undertook a formal review of its governance documents. This included the Articles of Government, Standing Orders, Code of Conduct, Operating Framework, and Terms of Reference for the following Committees:

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

2.14 All Committees are comprised of Non-Executive Members of the Governing Body. These Committees are established to support and advise the Governing Body across its full remit of responsibilities.

OPERATION OF GOVERNING BODY COMMITTEES

EDUCATION COMMITTEE

2.15 During 2024-2025, Education Committee convened on three occasions. All meetings were quorate and attendance was as follows:

Date	Number of Members in Attendance
6 November 2024	4
5 March 2025	4
4 June 2025	3

Attendance at the Education Committee meetings by University College staff adhered to the established Terms of Reference. The Secretary to the Governing Body consulted with the Chair prior to each meeting regarding the agenda and any pertinent issues.

The Committee successfully delivered its core work programme, which encompassed the review of reports across key academic and operational domains. These included Teaching and Learning, Scholarship and Research, International Activity, Student Support and Engagement, and Academic Register. The Committee also examined Risk Registers and monitored progress against Key Performance Indicator targets.

Key Areas of Focus

Academic and Research Activities

- Scholarship and research outputs
- Research funding
- Centre for Research in Educational Underachievement reports
- Launch of the Doctorate in Educational Professional Practice
- Concordat Research and Career Development submissions

Student Experience and Support

- National Student Survey results
- UCAS intake and data
- Student Services, including:
 - ❖ Residential and engagement activities
 - ❖ Counselling services
 - ❖ Occupational health provision
 - ❖ Disability support,
 - ❖ Psychological assessment services
 - ❖ Communication skills centre
 - ❖ Student support fund
 - ❖ Careers and employability
 - ❖ Digital and period poverty
- Student complaints, academic appeals, academic offences, and disciplinary matters
- Graduate outcome survey results
- Degree employment status
- Degree Enhancement Programme

Operational and Strategic Indicatives

- Continuous Action for Programme Enhancement
- Funded project developments
- Continuing Professional Development and Lifelong Learning
- External Partnerships
- Library upgrades and utilisation
- Males into education initiatives
- International Mobility
- Challenges relating to new teachers registering in Northern Ireland being trained outside the region
- Quality assurance reports and periodic reviews

Committee Engagements and Strategic Discussions

Presentations from Academic Staff

- 2.16 The Committee received presentations from Principal Lecturers and associates in the areas of International Engagement, Health and Physical Education and STEM.

Strategic Meeting with the Department of Education

- 2.17 In November 2024, the Committee convened an extraordinary meeting with Department of Education colleagues to discuss strategic educational developments, including special educational needs (SEN), curriculum development, and teacher training.

Engagement with Visiting Professors

- 2.18 In May 2025, Members met with the Visiting Professors to explore challenges in education and priorities for teacher development and higher education. Discussions emphasised inclusive education, research-informed policy, and the impact of socio-economic factors on learning.

Advisory Session with the Deputy Secretary

- 2.19 At the June 2025, Members welcomed Deputy Secretary for Education Policy and Children's Services from the Department for Education. The session focused on strategic aims and implementation of the TransformEd agenda.

HR AND REMUNERATION COMMITTEE

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

Date	Number of Members in Attendance
30 October 2024	3
12 March 2025	4
28 May 2025	4

Attendance at meetings by University College staff was conducted in accordance with the Committee's Terms of Reference. The Secretary to the Governing Body consulted with the Chair prior to each meeting regarding the agenda and any pertinent issues.

- 2.21 Throughout the year, the Committee reviewed and discussed the following items:

- Staff Development Plans
- Performance reports, key objectives and targets for Senior Management
- Staff pay awards
- Fair Employment and Equality Monitoring return
- Governing Body self-assessed skills audit, training requirements, and budget allocation
- Good Jobs Consultation paper

Policy approvals

- Dignity at Work and Study
- Equality Scheme

2.22 At each meeting, the Committee received and considered comprehensive reports on:

- Business Plan and associated targets
- Updates to the Risk Register
- Staffing establishment, turnover and recruitment activities
- Agency Staff appointments
- Sickness absence rates
- Employee relations, including disciplinary actions, tribunal cases and grievances
- Employee wellbeing initiatives
- Staff Engagement Forum activities
- Salary Working Group updates
- Enhancements to the HR Information System
- Other significant issues and developments

FINANCE AND GENERAL PURPOSES COMMITTEE

2.23 During 2024-2025, the Finance and General Purposes Committee met on five 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
18 September 2024	5
13 November 2024	3
26 February 2025	4
11 April 2025	4
11 June 2025	4

Attendance at meetings by University College staff was in accordance with the Committee's Terms of Reference. The Secretary to the Governing Body consulted with the Chair regarding the agenda and any pertinent issues prior to each meeting.

2.24 Throughout the year, the Committee reviewed and discussed the following matters:

- Finance reports, including Management Accounts, Business Plan progress, Treasury Management, Block Grant and Capital Funding and Finance Risk Register
- Increased employer contributions to the NI Teachers Pension Scheme
- Estates and Procurement reports
- Capital Panel reports
- Health and Safety reports
- Digital and Technical Services reports
- Sustainability Costings reports
- Hospitality, Accommodation and Conferencing Services reports
- Draft Financial Statements and Audit Findings for the year ended 31 July 2024
- Progress on the Sports Pitches Refurbishment Project
- Renewal of the License Agreement with the Duke of Edinburgh's Awards for space within Main Building
- Upgrades to the Accounting System Software
- The University College Annual Report 2023-2024
- Proposals concerning the Henry Garrett Building

Policy approvals

- Financial Regulations
- Strategy, Policy and Procedures Approval Process
- Anti-Money Laundering
- Treasury Management
- Procurement
- Cyber Security
- Health and Safety

- 2.25 The Committee reviewed emerging risks associated with the business discussed during the year and monitored progress against Key Performance Indicators.
- 2.26 An extraordinary meeting was convened in April 2025 to approve a five-year License Agreement for The Belfast School of Theology to occupy space within Main Building. The decision was subsequently ratified by the full Governing Body.

AUDIT AND RISK ASSURANCE COMMITTEE

- 2.27 The Audit and Risk Assurance Committee held four meetings during the year. On all occasions the Committee was quorate. Attendance at meetings was as follows:

Date	Number of Members in Attendance
20 November 2024	4
15 January 2025	4
19 March 2025	3
25 June 2025	5

Attendance at Committee meetings by University College representatives and other stakeholders was conducted in accordance with the Committee's Terms of Reference. Prior to each meeting, the Secretary to the Governing Body consulted with the Chair to review the agenda and address any pertinent matters.

- 2.28 The Committee's operations adhered to the guidelines outlined in the Audit and Risk Assurance Committee Handbook NI, issued by the Department of Finance.
- 2.29 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. It also monitored progress on the implementation of recommendations for improvements in internal controls. Specific business included the review, monitoring and / or approval of the following:

Internal Audit

- Internal Audit Plan and Strategy 2025-2026
- Internal Audit Progress report
- Internal Audit Recommendations Monitoring report
- Internal Audit Annual Report 2023-2024
- Internal Audit Charter

External Audit

- Draft Financial Statements and Audit Findings for the year ended 31 July 2024
- External Audit Findings for the year ended 31 July 2024
- External Audit Strategy for the period ended 31 July 2025

Governance and Assurance

- Corporate Risk Register
- Mid-year assurance 2024-2025 to DfE
- Audit and Risk Assurance Committee Annual Report 2023-2024
- Annual Freedom of Information report
- Annual Fraud report
- Bi-annual National Fraud Initiative
- Annual Raising Concerns report
- Annual Report on Lessons Learned from Post Project Evaluations
- Direct Award Contracts
- Fraud / Theft reports
- Business Continuity Planning report

Policy approvals

- Data Protection
- Data Retention and Disposal

2.30 The Committee also reviewed reports from Internal Audit, as set out in the following table:

Subject Area	Nature of Audit
Student Wellbeing and Support	Advisory
Governance – Structure and Reporting	Assurance
Risk Management	Advisory
Cyber Security and Data Protection	Advisory
Core Financial Controls	Advisory

Follow-up reports concluded that prior year recommendations were fully implemented in the areas of;

- College Library Operations
- Physical Security and Physical Assets
- Marketing and Communications Strategy
- Business Continuity Planning
- Virtual Learning Environment

2.31 Based on their work, the 2024-2025 Internal Audit Annual Report provides a Satisfactory opinion on the adequacy and effectiveness of governance, risk management and control systems. It is noted that while there may be some residual risk identified, this should not significantly impact on the achievement of system objectives.

2.32 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 2024-2025, 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

- 2.33 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, External Audit and the Departmental Observer during 2024-2025, before the start of the main meetings of the Committee.

Operational and Academic Governance Committees

- 2.34 The University College has an effective and robust system of corporate governance and management. A number of operational and corporate committees exist to support the management and administration of the University College to fulfil these requirements.

These Committees comprise of:

- The **Senior Leadership Committee** which exists to support the Principal in the task of leading the University College both strategically and in the day-to-day operations and management, as detailed in the Partnership Agreement with the Department for the Economy. The Senior Leadership Committee is therefore responsible for supporting the oversight of the Corporate Plan which is subject to approval by the Governing Body. The Senior Leadership Committee is responsible for the oversight of the development, implementation, monitoring and reviewing of approved strategies to support the delivery of the Corporate Plan / Annual Business Plan, including financial and resource planning. Operational and project risks will be monitored by the Senior Leadership Committee and reported to the Governing Body on a regular basis normally through the schedule of Governing Body and Committee meetings. The Principal will alert the Chair of the Governing Body to any significant emerging issues or risks as and when necessary.
- The purpose of the **Corporate Committee** is to assist the Senior Leadership Committee to deliver the College's Mission and Vision as articulated in the Corporate Plan and Annual Business Plan. It oversees the work of the various business areas on a cross-University College basis. It considers matters concerning the effective and efficient use of physical and human resources, equality issues, financial performance and sustainability and provides assurance and make recommendations as appropriate to Senior Leadership Committee. It also contributes to the development of strategy and policy matters in order to shape the strategic direction of the University College.
- The purpose of the **Academic Committee** is to assist the Senior Leadership Committee in the planning, development and monitoring of a sustainable academic portfolio to support the delivery of the College's Mission and Vision as articulated in the Corporate Plan which has been approved by the Governing Body. It will consider recommendations to seek approval for new programmes and new partners and the suspension or discontinuation of existing programmes and partners. The Committee will identify the likely resource requirements (including potential requirements for IT, library services, timetabling, student support, outreach and admissions) of new programmes and partnerships and will promote dialogue between academic and professional services to develop viable, market-informed programmes that are aligned with the University College's strategic plans.

The Committee shall act 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. It will ensure that quality assurance procedures are implemented and it will take responsibility for promoting quality enhancement across the University College. It will promote the development of students as lifelong learners and excellence in teaching and learning and will relate directly to the Boards of Studies and Examiners.

- The University College's **Research and Scholarship Committee** has overall responsibility for the management and implementation of approved strategies and policies. The University College's aim is to extend our reputation and performance as a regional, national and international centre of research and scholarship in education which involves creating a rich, vibrant and supportive scholarship and research environment which informs and underpins teaching and learning.
- The University College's **Student Recruitment Committee** has overall responsibility for the management and implementation of approved strategies and policies. This Committee will oversee the alignment of robust marketing intelligence and the development of a portfolio of course and programmes which meet the needs of targeted markets. This includes recruitment of international fee-paying students. The Committee will also review and evaluate the targets as set out in the College's Widening Participation strategy.
- The University College's **Student Support and Engagement Committee** has overall responsibility for the management and implementation of approved Student Support and Wellbeing strategies and policies. The successful implementation of these strategies is critical in order to ensure that students are well supported throughout their studies and have the opportunity to develop life and employability skills. This requires access to learning environments where learning resources are accessible and of high quality. The Committee also reviews and evaluates the College's Degree Enhancement Strategy.
- The **Health and Safety Management Committee** take responsibility for the management of health and safety in the University College. It monitors compliance and implementation of health and safety policies and action plans and promotes co-operation and communication between the University College, its staff and students in all matters relating to health and safety.
- The University College's **International Committee** has overall responsibility for the management and implementation of approved strategies and policies.

Quality of Data

- 2.35 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 and the Chair. 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.

University College Risk Profile and Residual Assessment of Corporate Risks

- 2.36 The Governing Body considered risks facing the University College at all meetings during 2024-2025. 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 2024-2025:

Risk No. & Residual Status	Summary of Risk Statements
1	Failure to recruit to full-time targets (set by DfE / DE) resulting in reduced student numbers and income and increase delivery inefficiencies. Risk includes competition from local and national providers.
2	Failure to financially break even, at least, which could impact on the long-term sustainability of the University College and be at variance with the requirements of the Financial Memorandum in place with DfE.
3	Failure to provide a suitable physical environment to facilitate effective teaching, learning, working and onsite living accommodation resulting in reputational damage and income reduction.
4	Failure to progress the redevelopment of the pitches project according to plan.
5	Failure to adequately manage, plan and have the available resources (staff, IT etc.) in place to deliver teaching, learning, assessment and all essential campus services.
6	Failure to have adequate arrangements in place to manage and monitor the operational progress of DfE funded capital projects that facilitate the timely identification of potential project delays and / or significant spend variances with the resultant challenges for the management of the associated DfE provided capital funding. The late identification and reporting of project delays and / or spend variances can mean that a) projects cannot progress as planned, b) projects cannot be completed within the expected timeframes, c) DfE capital funding allocations cannot be fully utilised and / or d) reputational damage arises.
7	Failure to ensure that all personal data is processed securely, in line with GDPR requirements, resulting in reprimand or monetary penalty by the Information Commissioners Office and reputational damage.
8	Failure to adequately plan for and mitigate risk from a Cyber-attack. If realised, this risk may lead to potential reputational damage and impact on the student experience and operation of business as usual of the University College.
9	Failure to agree an appropriate MOA / Partnership Agreement with QUB which supports the academic, research and commercial aspirations of the University College.
10	Failure to accurately complete the 24056 Student HESA return by the required statutory deadline would have significant operational and reputational consequences.
11	Failure to recruit student numbers at Levels 4, 5 and 6 due to increased competition at all levels.

Key:

Residual Risk Rating	
Extreme	
High	
Medium	
Low	

Data Security

- 2.37 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. Work continues 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 has 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 been undertaken. This work also includes migrating onsite files to the cloud and material is being systematically documented. A number of old records have also been lodged with the Public Records office for Northern Ireland (PRONI) for safekeeping because of their historical significance. The Digital and Technical Services Manager is a member of the NI Public Sector Cyber Security Working Group who are currently working on creating an overarching Cyber Security Strategy, which will facilitate implementation of comprehensive security arrangements across the University College and other public sector organisations. Data security remains a priority with multi-factor authentication enhanced, encryption and track and trace applications applied to mobile devices, penetration testing and vulnerability scans purchased annually, with subsequent remedial actions applied and biennial Internal Audits completed satisfactorily. 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

- 2.38 Our assessment of the internal control system's effectiveness is informed by the work of the Internal Audit function, which operates in accordance with Global Internal Audit Standards. Internal Audit provides regular reports containing independent opinions on the adequacy and effectiveness of the University College's internal controls, along with recommendations for improvement.

The 2024-2025 Internal Audit programmes resulted in an overall 'Satisfactory' level of assurance for the University College.

- 2.39 In addition to Internal Audit, the ongoing evaluation of internal controls is supported by executive managers, who are responsible for developing and maintaining the control framework. Further assurance is provided through the External Audit opinion on the annual financial statements and the associated Audit Findings report.
- 2.40 We have received sufficient assurance that the University College maintains an effective governance structure and operates to high standard of integrity and probity. In signing this Governance Statement, we rely on assurances provided by the Audit and Risk Assurance Committee, which continues to monitor audit recommendations to ensure timely resolution of all identified issues.

Professor Jonathan Heggarty


Principal and Chief Executive
26th November 2025

Edgar Jardine


Chairman
26th November 2025

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;
- for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the University College at any time ensuring in accordance with the relevant legislation and other relevant accounting standards; and
- presenting audit financial statements for each financial year that provide a true and fair view of the University College's financial position and performance for the year.

3.2 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.

3.3 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.

3.4 The Governing Body 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.

3.5 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.

3.6 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 Partnership Agreement 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; and
- secure the economic, efficient and effective management of the University College's resources and expenditure.


Disclosure of Information to Auditors

3.7 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
26th November 2025

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 and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, the Cashflow Statement for the financial year ended 31 July 2025 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 University College as at 31 July 2025 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 University 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 Stranmillis University 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 and Partnership Agreement 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 University College during the year ended 31 July 2025 have been applied for the purpose for which they were received; and
- Income during the year ended 31 July 2025 has been applied in accordance with Stranmillis University College's statutes and where appropriate, with the Financial Memorandum and Partnership Agreement with the Sponsoring Department.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the University 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 and Partnership Agreement 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 University 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 University 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 University College or to cease operations, or has no realistic alternative but to do so.

Those Governing Body is responsible for overseeing the University 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 Stranmillis University 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. The Audit engagement partner considered the experience and expertise of the engagement team to ensure that the team had appropriate competence and capabilities to identify or recognise non-compliance with the laws and regulations. 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 Stranmillis University College's Governors as a body, in accordance with the Financial Memorandum and Partnership Agreement. Our audit work has been undertaken so that we might state to Stranmillis University 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 Stranmillis University College and Stranmillis University College's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ryan Falls (Senior Statutory Auditor)
For and on behalf of
Cooper Parry Audit (Ireland) Limited

Statutory Auditor
36-38 Northland
Dungannon
Co. Tyrone

26th November 2025

STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
For the Year Ended 31 July 2025

		2025 £	2024 £
Income	NOTE		
Funding Grants	(2)	6,171,186	5,961,106
Tuition Fees	(3)	5,131,498	4,979,432
Research Grants and Contracts	(4)	377,524	243,574
Other Operating Income	(5)	3,228,810	3,149,830
Interest Receivable		314,432	334,541
Total Income		<u>15,223,450</u>	<u>14,668,483</u>
Expenditure			
Staff Costs	(6) & (7)	8,995,335	8,359,708
Other Operating Expenditure	(9)	4,672,287	4,266,223
Depreciation & Amortisation	(12) & (13)	1,489,547	1,353,070
Interest Payable		-	-
Total Expenditure		<u>15,157,169</u>	<u>13,979,001</u>
Operating Surplus Before Tax		<u>66,281</u>	<u>689,482</u>
Taxation		-	-
Operating Surplus After Tax		<u>66,281</u>	<u>689,482</u>
Actuarial Loss in Respect of Pension Scheme	(20)	(41,000)	(31,000)
Total Comprehensive Income for the Year	(20)	<u>25,281</u>	<u>658,482</u>

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

STATEMENT OF CHANGES IN RESERVES

		2025 £	2024 £
Reconciliation			
Opening Reserves	(20)	28,352,286	27,693,804
Total Comprehensive Income for the year		25,281	658,482
Closing Reserves	(20)	<u>28,377,567</u>	<u>28,352,286</u>

The notes on pages 39 to 56 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 July 2025


	Note	2025 £	2024 £
Tangible Fixed Assets	(12)	42,090,615	40,552,591
Intangible Fixed Assets	(13)	9,218	-
Total Fixed Assets		42,099,833	40,552,591
Trade and Other Receivables	(14)	1,716,899	1,147,301
Cash and Cash Equivalents	(15)	6,121,599	6,727,184
Total Current Assets		7,838,498	7,874,485
Creditors – Amounts Due Within One Year	(16)	(3,350,040)	(3,046,576)
Net Current Assets		4,488,458	4,827,909
Total Assets less Current Liabilities		46,588,291	45,380,500
Creditors – Amounts Due After One Year	(17)	(18,210,724)	(17,028,214)
Provisions for Liabilities and Charges	(19)	-	-
NET ASSETS		28,377,567	28,352,286
General Reserves	(20)	28,377,567	28,352,286
Pension Reserve	(20)	-	-
TOTAL FUNDS		28,377,567	28,352,286

The financial statements were approved by the Governing Body on 26th November 2025 and were signed on its behalf by:

Professor Jonathan Heggarty


Principal and Chief Executive
26th November 2025

Edgar Jardine


Chairman
26th November 2025

The notes on pages 39 to 56 form part of these financial statements.

CASH FLOW STATEMENT
For the Year Ended 31 July 2025

		2025 £	2024 £
	Note		
Total Comprehensive Income		25,281	658,482
Adjustments for Non-Cash Items			
Depreciation & Amortisation	(12) & (13)	1,489,547	1,353,070
Increase in Trade & Other Receivables	(14)	(569,598)	(284,172)
Increase in Creditors	(16)	93,235	381,282
Movement in Pension Provision	(19)	-	-
Adjustments for Investing or Financing Activities			
Interest Receivable		(314,432)	(334,541)
Interest Payable		-	-
Capital Grant Income Released	(2) & (18)	(1,322,263)	(1,245,710)
Profit on Disposal of Fixed Asset		-	(1,920)
Net Cash (Outflow) / Inflow from Operating Activities		(598,230)	526,491
Cash Flows from Investing Activities			
Interest Receivable		314,432	334,541
Payments Made to Acquire Tangible Fixed Assets	(12)	(3,025,267)	(601,333)
Payments Made to Acquire Intangible Fixed Assets	(13)	(11,522)	-
Proceeds from sale of Fixed Assets		-	1,920
Cash Flows from Financing Activities			
Interest Payable		-	-
Capital Grants Received	(18)	2,715,002	786,571
(Decrease) / Increase in Cash and Cash Equivalents	(15)	(605,585)	1,048,190
Net Funds at 1 August	(15)	6,727,184	5,678,994
Net Funds at 31 July	(15)	6,121,599	6,727,184

The notes on pages 39 to 56 form part of these financial statements.

NOTES TO THE ACCOUNTS

For the year to 31 July 2025

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 Partnership Agreement between the Sponsoring Department and the University College and 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.

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 capital 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.

(c) Capital Grants

Non-recurrent grants from the Sponsoring Department received in respect of the acquisition and refurbishment 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 in 2020. In line with these results the employer contribution rate increased from 25.1% to 29.1% from the 1st April 2024 and has continued at this rate through the 2024-2025 financial year. As far as the University College is aware, this rate will continue for the 2025-2026 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 and 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. Following the results of the March 2022 valuation, the Employer's contribution rate dropped to 19% from April 2023. A new valuation is underway for March 2025.

(e) Tangible Fixed Assets

Land and Buildings

Land and buildings inherited from the Sponsoring Department on incorporation in 2005 were stated in the Statement of Financial Position at valuation at that time (less any subsequent impairments) 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 full year of depreciation is charged in the year of acquisition. A review of building condition and estimated useful lives is undertaken 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 normally written off to the Statement of Comprehensive Income and Expenditure. However, some individual assets may be capitalised with values less than £10,000 if they form part of a larger Departmental capital funded project. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic life using the straight-line method as follows:

- Motor vehicles and general equipment – 3 - 10 years;
- Computer equipment – 3 - 5 years;
- Furniture and fittings – 5 years.

A full year of depreciation is charged in the year of acquisition.

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 asset.

(f) Intangible Fixed Assets**Software**

Intangible assets are initially recognised at cost. Subsequent to initial recognition intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. All Software intangible assets are considered to have a finite useful life of 5 years and are amortised over their useful economic lives using a straight-line method. A full year of depreciation is charged in the year of acquisition.

Where intangibles are acquired with the aid of specific grants, it is capitalised and amortised in accordance with the above amortisation 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 asset.

(g) Maintenance of Premises

The cost of routine repairs and maintenance is charged to the Statement of Comprehensive Income and Expenditure in the period that it is incurred.

(h) Foreign Currency Translation

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

(i) Taxation

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

The University College receives no similar exemption in respect of Value Added Tax. The University College is exempted from levying VAT on most of the services it provides to students. For this reason, the University College is partially exempt in respect of VAT, so that it can only recover a minor element of VAT charged on its inputs. VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

(j) Liquid Resources

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

(k) Provisions

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

(l) 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. Recoverability 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 NILGOSC independent actuary to determine each assumption used which reflects historical experience and current trends.

(m) Going Concern

The Governors have considered the University College's forecasts and projections. 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.

2 FUNDING GRANTS

	2025	2024
	£	£
Recurrent Grant	4,462,653	4,495,278
Widening Participation	50,634	50,634
Research Funding	35,380	28,386
Diversity and Mutual Understanding (DMU)	21,290	24,228
International Awareness	28,766	31,053
Other Sponsoring Department Funding Grants	250,200	85,817
Release of Deferred Capital Grants	1,322,263	1,245,710
	<u>6,171,186</u>	<u>5,961,106</u>

3 TUITION FEES

Variable tuition fees were introduced with effect from 1 August 2006. The rate for 2024-25 was set at £4,750 for full-time students (2024: £4,710).

	2025	2024
	£	£
Full-time Students	4,038,984	3,976,597
Part-time Students	1,092,514	1,002,835
Total Tuition Fees paid by/on behalf of Students	<u>5,131,498</u>	<u>4,979,432</u>

4 RESEARCH GRANTS AND CONTRACTS

	2025	2024
	£	£
UK Based Charities	53,779	37,211
Other Grants and Contracts	323,745	206,363
	<u>377,524</u>	<u>243,574</u>

5 OTHER OPERATING INCOME

	2025	2024
	£	£
Residence and Catering Operations	2,715,848	2,701,189
Other Rents Receivable	104,537	114,264
Other Grant Income	106,298	71,562
Sundry Other Income	302,127	262,815
	<u>3,228,810</u>	<u>3,149,830</u>

6 STAFF COSTS

	2025	2024
	£	£
Wages and Salaries	6,799,742	6,396,721
Social Security Costs	730,882	635,776
Pension Costs	1,488,711	1,343,211
Other Pension Credit (FRS102 related)	(24,000)	(16,000)
	<u>8,995,335</u>	<u>8,359,708</u>

Staff Numbers

The table below shows Headcount and Full Time Equivalent Staff numbers excluding any casual staff.

	2025	2025	2024	2024
	Annual FTE No.	Headcount at Year end No.	Annual FTE No.	Headcount at Year End No.
Lecturing Staff	44	45	45	45
Support Staff	101	123	100	118
	<u>145</u>	<u>168</u>	<u>145</u>	<u>163</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.

7 ANALYSIS OF STAFF COSTS BY ACTIVITY

	2025	2024
	£	£
Academic Departments	3,424,606	3,320,086
Academic Support Services	107,270	102,965
Other Support Services	662,205	585,886
Admin and Central Support Services	2,198,737	2,026,548
Premises	1,135,301	1,022,172
Catering and Residences	975,494	850,330
Other Income Generating Activities	515,722	467,721
Other Pension Credit (FRS102 related)	(24,000)	(16,000)
	<u>8,995,335</u>	<u>8,359,708</u>

8 **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 Directors, 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:

	2025 FTE No.	2025 £	2024 FTE No.	2024 £
Salary	11.1	825,509	10.1	800,929
Pension contributions		193,670		177,339
Total Emoluments		<u>1,019,179</u>		<u>978,268</u>

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

	2025 £	2024 £
Salary	122,524	117,224
Pension contributions	35,654	30,986
	<u>158,178</u>	<u>148,210</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 4.0 times (2024: 4.0 times) the median pay of staff (2025: £30,805, 2024: £29,605), 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 4.4 times (2024: 4.3 times) the median total remuneration of staff (2025: £36,658, 2024: £35,230) 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.

9 OTHER OPERATING EXPENDITURE

	2025	2024
	£	£
Hospitality, Accommodation & Conferencing	851,774	871,328
Services Operating Expenses		
Course Consumables, Equipment & Field Trips	32,219	38,740
Purchase, Hire and Repair of Other Equipment	119,000	140,881
IT Maintenance & Software Costs	209,723	185,567
Library Costs	125,263	101,089
Energy Costs	528,490	498,372
Rates and Insurance	551,874	493,787
Refurbishment, Maintenance & Cleaning	831,255	601,588
Telephone	14,832	21,063
Sundry Course Costs	24,715	29,302
Postage, Printing & Stationery	52,430	51,729
Advertising and Recruitment	68,602	65,319
Validation Costs	464,909	454,818
External Examiner Costs	10,440	4,827
Internal Audit Services	14,940	14,940
External Audit Services	24,324	16,500
Other Professional Fees	39,384	73,251
Occupational Health Service	14,369	15,750
Staff Training and Development	60,438	38,383
Widening Participation & Bursary Costs	89,552	90,378
Student Induction Residential Costs	22,752	19,998
Research Projects	109,743	21,834
Funded Projects	239,543	157,859
Centenary Costs	-	6,001
Publications & Subscriptions	88,122	87,795
Travel Costs Including Student Placements	39,174	31,123
Other	44,420	134,001
	<u>4,672,287</u>	<u>4,266,223</u>

10 EXCEPTIONAL ITEM

No Exceptional Items have been recognised in the year ended 31 July 2025 (2024: £nil).

11 TAXATION

The University College did not incur any taxation liability during the period (2024: £Nil).

12 TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Assets Under Construction £	Equipment £	Vehicles £	Total £
Cost:					
At 1 August 2024	75,463,765	288,059	4,216,340	127,058	80,095,222
Additions	295,151	2,105,846	624,270	-	3,025,267
Disposals	-	-	-	-	-
At 31 July 2025	75,758,916	2,393,905	4,840,610	127,058	83,120,489
Depreciation and Impairment:					
At 31 July 2024	35,870,766	-	3,589,342	82,523	39,542,631
Charge for the year	1,112,157	-	360,867	14,219	1,487,243
Disposals	-	-	-	-	-
At 31 July 2025	36,982,923	-	3,950,209	96,742	41,029,874
NBV 31 July 2025	38,775,993	2,393,905	890,401	30,316	42,090,615
NBV 31 July 2024	39,592,999	288,059	626,998	44,535	40,552,591
Inherited	25,343,121	-	-	-	25,343,121
Financed by Capital Grant	10,807,929	2,140,280	796,324	22,418	13,766,951
Other	2,624,943	253,625	94,077	7,898	2,980,543
NBV 31 July 2025	38,775,993	2,393,905	890,401	30,316	42,090,615

The latest valuation of land and buildings was undertaken by Land and Property services at 31 July 2022. The land and 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. The review also included an assessment of the remaining useful lives of the University College buildings.

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 (including assets under construction) with a net book value of £38,291,330 (2024: £37,131,130), equipment of net book value of £796,324 (2024: £560,878) and vehicles with a net book value of £22,418 (2024: £33,569) have been financed by exchequer funds. Under the Partnership Agreement, 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.

13 INTANGIBLE FIXED ASSETS

	Software £	Total £
Cost:		
At 1 August 2024	-	-
Additions	11,522	11,522
Disposals	-	-
At 31 July 2025	11,522	11,522
Amortisation and Impairment:		
At 1 August 2024	-	-
Charge for the year	2,304	2,304
Disposals	-	-
At 31 July 2025	2,304	2,304
NBV 31 July 2025	9,218	9,218
NBV 31 July 2024	-	-
Inherited	-	-
Financed by Capital Grant	8,240	8,240
Other	978	978
NBV 31 July 2025	9,218	9,218

Intangibles with a net book value of £8,240 (2024: £Nil) have been financed by exchequer funds.

14 TRADE AND OTHER RECEIVABLES

	2025 £	2024 £
Debtors	219,591	304,788
Prepayments & Accrued Income	1,497,308	842,513
	1,716,899	1,147,301

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

	2024 £	Cashflow £	2025 £
Cash at Bank and in Hand	1,977,184	4,144,415	6,121,599
Short Term Deposits	4,750,000	(4,750,000)	-
	6,727,184	(605,585)	6,121,599

16 CREDITORS: AMOUNTS DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade Creditors	722,482	585,405
Accruals	757,752	648,309
Payments Received in Advance	49,155	42,151
Deferred Capital Grants – Land & Buildings	1,074,056	972,815
Deferred Capital Grants – Equipment	321,639	211,033
Deferred Capital Grants – Vehicles	7,473	11,151
Deferred Capital Grants – Intangibles	2,060	-
Deferred Income	61,094	235,971
Social Security and Other Tax Payable	354,329	339,741
	<u>3,350,040</u>	<u>3,046,576</u>

17 CREDITORS: AMOUNTS DUE AFTER ONE YEAR

	2025	2024
	£	£
Deferred Capital Grants – Land & Buildings	17,714,916	16,655,951
Deferred Capital Grants – Equipment	474,684	349,845
Deferred Capital Grants – Vehicles	14,944	22,418
Deferred Capital Grants – Intangibles	6,180	-
	<u>18,210,724</u>	<u>17,028,214</u>

18 DEFERRED CAPITAL GRANTS

	Land & Buildings £	Equipment £	Vehicles £	Intangibles £	Total £
Balance as at 31 July 2024	17,628,768	560,877	33,568	-	18,223,213
Received / receivable in the year from the Sponsoring Department	2,146,603	558,099	-	10,300	2,715,002
Released to Statement of Comprehensive Income and Expenditure	(986,399)	(322,653)	(11,151)	(2,060)	(1,322,263)
Balance as at 31 July 2025	<u>18,788,972</u>	<u>796,323</u>	<u>22,417</u>	<u>8,240</u>	<u>19,615,952</u>

Disclosed as:

	2025 £	2024 £
Creditors: Amounts due within one year (Note 16)		
Deferred Capital Grants – Land & Buildings	1,074,056	972,815
Deferred Capital Grants – Equipment	321,639	211,033
Deferred Capital Grants – Vehicles	7,473	11,151
Deferred Capital Grants – Intangibles	2,060	-
Creditors: Amounts due after one year (Note 17)		
Deferred Capital Grants – Land & Buildings	17,714,916	16,655,951
Deferred Capital Grants – Equipment	474,684	349,845
Deferred Capital Grants – Vehicles	14,944	22,418
Deferred Capital Grants – Intangibles	6,180	-
	<u>19,615,952</u>	<u>18,223,213</u>

19 PROVISIONS FOR LIABILITIES AND CHARGES

	2025 £	2024 £
Net Pension Liability	-	-
	<u>-</u>	<u>-</u>

20 STATEMENT OF MOVEMENT IN RESERVES

	General £	Pension £	Total £
Balance as at 31 July 2023	27,693,804	-	27,693,804
Retained Surplus	658,482	-	658,482
Actuarial Loss on Pension Liability	31,000	(31,000)	-
Pension Reserve Transfer	(31,000)	31,000	-
Balance as at 31 July 2024	28,352,286	-	28,352,286
Retained Surplus	25,281	-	25,281
Actuarial Loss on Pension Liability	41,000	(41,000)	-
Pension Reserve Transfer	(41,000)	41,000	-
Balance as at 31 July 2025	28,377,567	-	28,377,567

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 £1,488,711 (2024: £1,343,211). FRS102 pension scheme adjustments in the year were as follows:

	2025	2024
	£	£
Interest Receivable	(17,000)	(15,000)
Staff Related Credit	(24,000)	(16,000)
Total Credit	(41,000)	(31,000)

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 2025 was £1,108,707 (2024: £998,187) of which employer's contributions totalled £820,264 (2024: £720,652) and employees' contributions totalled £288,443 (2024: £277,535). The employer contribution rate continued at 29.1% for the duration of the financial year. It is expected to remain at this rate until the next scheme valuation date. Employee contributions changed from being in the rate between 7.4% and 11.7 % to being in the range between 7.4% and 12.06% from April 2025 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 2025 was £893,083 (2024: £845,038) of which employer's contributions totalled £668,447 (2024: £622,559) and employees' contributions totalled £224,636 (2024: £222,479).

The latest valuation was carried out on 31 March 2022 by the Committee's Actuary, Aon Hewitt. Following the results of the March 2022 valuation, the Employer's contribution rate dropped to 19% from 1 April 2023 and continued at this rate for the duration of the financial year. A new actuarial valuation is underway for March 2025. 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 as required by FRS102.

Asset Returns

Asset returns over the accounting period have been higher than expected. This has led to a gain on assets over the accounting period and an improvement in the Statement of Financial Position.

Financial Assumptions

There has been a change to the financial assumptions over the period. The discount rate has increased by 0.7%, the CPI inflation assumption has reduced by 0.1% and the salary increase assumption has reduced by 0.1%. This has resulted in a more positive Statement of Financial Position than if the financial assumptions at the start of the year had been used. The impact of this change is recognised in the Income and Expenditure account.

Principal Actuarial Assumptions

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

	2025	2024
Pension Increase Rate	2.5%	2.6%
Salary Increase Rate	4.0%	4.1%
Discount Rate	5.7%	5.0%
Pension Accounts revaluation rate	2.5%	2.6%
CPI Inflation	2.5%	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 2022 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:

	2025 Male years	2025 Female years	2024 Male years	2024 Female years
Current pensioners	21.6	24.5	21.5	24.4
Future pensioners	22.2	25.2	22.1	25.2

The fair value of the assets in the scheme were:

	Assets at 31 July 2025 £'000	Assets at 31 July 2024 £'000
Equities	12,562	11,384
Government Bonds	5,919	4,723
Corporate Bonds	1,117	1,195
Property	3,020	2,589
Multi Asset Credit	4,017	3,699
Cash	1,812	3,158
Other	1,752	1,707
Total	30,199	28,455

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 2025 £'000	Year Ended 31 July 2024 £'000
Fair Value of Scheme Assets	30,199	28,455
Present Value of Scheme Liabilities	(23,010)	(24,750)
Unrecognised Asset	<u>7,189</u>	<u>3,705</u>
Asset/(Liability) recognised on the Statement of Financial Position	<u>-</u>	<u>-</u>

Disclosed as:

Liabilities	-	-
Assets	-	-
Net Pension Liability	<u>-</u>	<u>-</u>

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

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Current Service Cost	641	607
Net Interest Credit	(17)	(15)
Past Service Cost	-	-
Curtailments and Settlements	-	-
Closing Balance	<u>624</u>	<u>592</u>
Actual Return on Plan Assets	1,846	2,401

Reconciliation of Defined Benefit Obligation:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Opening Defined Benefit Obligation	24,750	23,912
Current Service Cost	641	607
Past Service Costs	-	-
Interest Expense on Defined Benefit Obligation	1,219	1,178
Actuarial Gains on liabilities	(2,833)	(215)
Contributions by Members	236	223
Impact of Settlements and Curtailments	-	-
Net Benefits Paid	<u>(1,003)</u>	<u>(955)</u>
Closing Balance	<u>23,010</u>	<u>24,750</u>

Reconciliation of Fair Value of Employers Assets:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Opening Fair Value of Employers Assets	28,455	26,163
Interest Income on Assets	1,421	1,306
Contributions by Members	236	223
Contributions by the Employer	665	623
Contributions in Respect of Unfunded Benefits	-	-
Remeasurement Gains on assets	425	1,095
Impact of Settlements and Curtailments	-	-
Estimated Unfunded Benefits Paid	-	-
Net Benefits Paid	(1,003)	(955)
Closing Balance	30,199	28,455

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

	2025 £'000	2024 £'000	2023 £'000	2022 £'000	2021 £'000
Present Value of Employers Assets	30,199	28,455	26,163	27,225	29,508
Present Value of Defined Benefit Obligation	(23,010)	(24,750)	(23,912)	(27,746)	(37,368)
Net Position	7,189	3,705	2,251	(521)	(7,860)
Unrecognised Asset	(7,189)	(3,705)	(2,251)	-	-
Deficit on the Scheme	-	-	-	(521)	(7,860)

The Statement of Financial Position is showing a net pension asset before consideration of a surplus restriction. No surplus has therefore been recognised in the financial statements.

23 CAPITAL COMMITMENTS

	2025 £	2024 £
Commitments Contracted at 31 July	1,496,628	65,262
	1,496,628	65,262

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**

	2025	2024
	£	£
Opening Balance	5,017	6,644
Sponsoring Department Grant - Recurrent	36,000	36,000
Sponsoring Department Grant – Non-Recurrent	-	18,000
Transferred from University College Trust	-	-
Disbursed to Students, Dyslexia Services and other costs	(39,635)	(56,510)
Interest earned less bank charges	693	883
Balance unspent at 31 July	<u>2,075</u>	<u>5,017</u>
Amount returned to DfE	-	-
Closing Balance	<u>2,075</u>	<u>5,017</u>

In the 2024-2025 financial year the Sponsoring Department allocated £36,000 (2024: £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.

No additional non-recurrent support payments were made available to the University College during the financial year to further support students (2024: £18,000).

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 2025 was £30,489 (2024: £30,458).

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