

ST MARY'S UNIVERSITY COLLEGE
Financial Statements
31st July 2023

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FINANCIAL REPORT

The College

St Mary's University College is governed under a Scheme of Management agreed between the College and the Department for the Economy. The College, originally established as a college of education, is a higher education institution as defined by Article 30(3) of the Education and Libraries (NI) Order 1993. St Mary's was granted the University College title by the Privy Council in 1998. The College is funded by, and accountable to, the Department for the Economy under the terms of a financial memorandum agreed between the College and the Department and according to the provisions of the 1993 Order. The College is a recognised provider of higher education. St. Mary's operates under the direction of a Board of Governors and the College property is owned by its Trustees. Operational control is in the hands of the Principal supported by the Senior Management Team.

The College provides courses in Initial Teacher Education for both the primary and post-primary sectors, In Service courses for serving teachers and a BA degree course in Liberal Arts and an MSc in PE and Sport for Young People.

The mission of the College is to make a distinctive contribution of service and excellence, in the Catholic tradition, to higher education in Northern Ireland.

Scope of the Financial Statements

The Financial Statements of the College include the results of all of the College's activities.

Results for the Year

The College's Income and Expenditure and Results for the year ended 31st July 2023 are summarised as follows:

	2023 £000	2022 £000
Income	10,140	9,855
Expenditure	10,003	9,509
Surplus / (deficit)	137	346

St Mary's aims to generate sufficient surpluses, to maintain long term solvency, to sustain its operational capacity and to invest in its estate.

Operating surplus is our key measure of financial performance and 2023 has been another successful year with a surplus of £137,000 or 1.4% of income (2022 3.5%).

For a second consecutive year the NILGOSC pension service charge has reduced and there is no pension liability: this has again resulted in an improvement in our discretionary reserves. During 2023 the College has continued with its transformative capital development programme completing the new Cardinal Newman Library together with the completely refurbished Beechmount Dining Hall.

Income

In 2023, income increased by £285,000 (2.9%) to £10,140,000. Recurrent grant remained largely unchanged at £4,888,000. Grant income made up 48% of total income this year which is similar to 2022. Tuition Fees, making up 42% of total income, increased by 0.4% to £4,252,000. Undergraduate fees remained largely unchanged from 2022: whilst there was a positive impact from a marginal increase in tuition fees rates, this was offset by a fall in student numbers driven by continuing issues with student retention. Like 2022, this year saw a decrease in MEd fee income (down £37,000 from 2022). On the other hand Other Income increased by £15,000 and the upturn in interest rates meant that interest earned increased by £60,000 compared to 2022. A successful bid for research funding resulted in an additional £61,000 in research income this year.

Expenditure

Total expenditure increased by £494,000 (5.2%) compared to 2022. An expanded minor works programme increased premises expenditure by £395,000, however, energy costs remained stable compared to 2022. Staff numbers have remained essentially unchanged compared to the previous year but staff costs (excluding pension adjustments) have increased by £287,000 (4.7%) due to the national pay settlement which was higher than recent years driven by high inflation. Staff costs (excluding pension adjustments) as a percentage of income have remained relatively stable at 63% compared to 61% in 2022. This year saw a significant decrease in pension adjustment included within pay costs to £285,000 and there is a credit of £98,000 included within income in respect of the expected return on pension scheme assets - this was in contrast to an interest charge of £85,000 in 2022.

Pension Schemes

For teaching staff, the College participates in the Northern Ireland Teachers Pension Scheme (TPS). The TPS is a multi-employer scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme and accounts for its contributions to the scheme as if it were a defined contribution plan. The employer's contribution rate is currently 25.1%.

The College also participates in the Northern Ireland Local Government Pension Scheme (NILGOSC) which is open to all non-academic staff. The NILGOSC funding position is calculated annually in accordance with Financial Reporting Standard 102 (FRS 102), and a full actuarial valuation is undertaken triennially by the Scheme Actuary. The movement in the net pension asset/(obligation) over the period was from a surplus of £2.9 million to a surplus £2.3 million. As the surplus cannot be recovered, we have not included it as an asset on our balance sheet.

Treasury Management / Cash flow

The College has a Treasury Management Policy in place: the policy is reviewed by the Finance committee to ensure that risk is minimised. The cash flow statement shows a very healthy net inflow from operational activities of £864,000 or 8.5% (2022 £933,000 9.4%). At the year end the College had £2,500,000 on deposit and a current account balance of £3,303,000. The reduction in cash and cash equivalents from 2022 of £504,000 reflects the College's investment in its capital programme.

Balance Sheet

The College balance sheet remain strong. Discretionary reserves increased to £11,172,000 (2022 £10,836,000) which is 110% of income (2022 110%). The College cash position remains favourable with net liquidity days standing at 220 (2022 291).

Capital

The College continued its transformational capital investment programme supported by DfE funding. During the year the College spent a further £5.27 million completing the new Cardinal Newman Library and the Beechmount Dining Hall.

Risks

The College has well developed corporate governance and risk management processes in place. Both the Board of Governors and the Audit Committee review the Corporate Risk Register on a regular basis. The top five risks facing the College are:

	2023	2022
1	Reduction in ITE intake allocations	Reduction in government funding
2	Reduction in government funding	Failure to maintain student numbers
3	Major breach in cyber security	Reductions in ITE intake allocations
4	Student retention	Student retention
5	Failure to achieve planned student numbers	Major breach in cyber security

Other significant corporate risks include student mental wellbeing, loss of key staff, failure to ensure effective information governance and failure to maintain adequate staff capacity. These and all other risks are monitored on an ongoing basis and a full range of mitigating actions have been implemented to ensure their effective management.

Public benefit

The College mission statement is as follows:

‘Our purpose is to make a distinctive contribution of service and excellence, in the Catholic tradition, to higher education in Northern Ireland. St Mary's is an academic community committed to the search for meaning and value in the intellectual life, to academic excellence and to individual attention for students.’

‘We work for the development of the whole person in a Christian, values sensitive environment in preparation for a lifetime of learning, leadership and service.’

‘We want the College to be a religious, educational, cultural and social resource for the local community and to show concern for the poor and powerless.’

‘We provide teacher education programmes, in English and in Irish, as well as a Liberal Arts degree programme’.

‘We offer our students high-quality teaching and extensive support to foster effective learning.’

‘We aim to widen access to higher education and to enable participation from a broad spectrum of society.’

‘We support economic regeneration and social development initiatives which facilitate conflict resolution and peace.’

‘We are committed to a rich international dimension in the life of the College.’

‘We work with a wide range of partners and seek to build excellent relationships to promote our mission.’

St Mary's charitable purpose is the advancement of education. The main beneficiaries are current and prospective students as well as the local community. In determining its objectives and planning its activities the Board of Governors has given due regard to relevant guidance on public benefit. The College is a values driven, small and specialist, teaching focused institution which emphasises the student experience. St Mary's is committed to widening access and participation: this is reflected in the student profile - 18% of students in 2022 were from Quintile 1 of the Multiple Deprivation Measure indices. The College has in place a range of measures and financial support arrangements to encourage widening access to higher education.

The College also prioritises community engagement. The College campus is a resource which is made available to the local community.

Future developments

Academically and financially St Mary's remains strong. The College has sufficient reserves to maintain our operational capacity and to continue to invest in our campus. Demand for places is as high as ever and teaching quality compares very favourably with peer institutions. In 2024 the College plans to complete our latest campus development with the opening of a 400 seat modern auditorium.

CORPORATE GOVERNANCE

The College has adopted the Higher Education Code of Governance, published by the Committee of University Chairs.

The College's governing body is its Board of Governors. There are 18 members of the Board comprising lay members, academic staff and students, appointed under the College Scheme of Management. The majority of the members are non-executive. The role of the Chairman of the Board is separate from the role of the College Principal. The Board of Governors is responsible for the strategic direction of the College, whilst the Principal and Senior Management are responsible for the operational management of the institution. The Board of Governors approves all major developments and receives regular reports on the day to day activities of the College. The Board of Governors meets at least four times per year and is supported by a number of committees including a Finance Committee, a Nominations Committee, a Remuneration Committee and an Audit Committee. All of these committees are formally constituted with terms of reference and have lay majorities. Matters specifically reserved for the Board of Governors are set out in the College Scheme of Management and include the determination of the educational character and mission of the College, approval of the annual estimates and the appointment and dismissal of the Principal.

Members of the Board of Governors who served during the year ended 31st July 2023 were as follows:

Ex-officio Governors

The Most Reverend Dr Noel Treanor DD (Chair)	Resigned January 2023
The Most Reverend Donal McKeown DD (Chair)	Appointed March 2023
Sr Lucina Montague OP	
Professor Peter Finn (Principal)	
Rev Fr Eugene O'Hagan	

Nominated Governors

Mr Niall Rice	Resigned March 2023
Miss Mairead Weir	
Mrs Angela Mervyn	
Mrs Gillian McGrath	Appointed October 2022
Mr Fintan Murphy	Appointed October 2022

Representative Governors

Dr James Uhomoibhi
Mrs Leeann Vincent

Nominated by the Senate of Queen's University Belfast

Professor David Jones	Resigned March 2023
Ms Helen McNeely	

Academic Staff Governor

Rev Dr Paul Fleming

Student Representative

Mr Colin Sheehan

The Finance Committee recommends to the Board of Governors the annual revenue and capital budgets for the College and monitors actual performance in relation to the approved budgets. The Finance Committee also has oversight of the College Estates and Human Resources Strategies.

The Nominations Committee is responsible for reviewing the processes for and recommending the appointment and re-appointment of members of the Board of Governors.

The Remuneration Committee reviews and recommends to the Board of Governors the salaries of the senior staff of the College including the Principal.

The Audit Committee normally meets four times per year with the College internal auditors in attendance. The College's external auditors also attend when necessary. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation timetables. Whilst senior management attend meetings of the Audit Committee as necessary they are not members of the Committee.

Statement of internal control

As the governing body of St Mary's University College, the Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible in accordance with the responsibilities assigned to it in the Scheme of Management and the Financial Memorandum with the Department for the Economy.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31st July 2023 and up to the approval of the financial statements.

The Board of Governors has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- The Board of Governors meets at regular intervals (at least four times a year) to consider the strategies and plans of the College.
- The Audit Committee oversees risk management within a framework set out in the approved risk management policy.
- The Board of Governors receives regular reports from the Audit Committee concerning internal control and risk management.
- The Audit Committee receives regular reports from the internal auditors which include their independent opinion on the adequacy of the College's system of internal control, together with recommendations for improvement.
- A robust risk prioritisation methodology has been established.
- A College risk register is maintained and regularly reviewed and updated with responsibility for the management of each risk embedded within the management structure of the College.

The review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to relevant guidance on risk management. It is the opinion of the Board of Governors that the College has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the College's internal auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS).

The review of the effectiveness of the system of internal control is also informed by the work of the senior staff of the College who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their report to those charged with governance and other reports.

As a result of the overall review of the effectiveness of the system of internal control, including risk management, the Board of Governors are content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the College's designated officer by the internal auditors, in their Annual Statement of Assurance.

RESPONSIBILITIES OF THE BOARD OF GOVERNORS

The Board of Governors is responsible for the administration and management of the affairs of the College including an effective system of internal control and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring the maintenance of proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and which enable it to ensure that financial statements are prepared in accordance with the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms of the Financial Memorandum agreed between the Department for the Economy, and the College, the Board of Governors is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation.

The Board of Governors has taken reasonable steps to:

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

The key elements of the College's system of internal financial control which is designed to discharge the responsibilities set out above, include the following:

- a comprehensive short and medium-term planning process, supplemented by detailed annual income, expenditure and cash flow budgets;
- regular reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review by the Board of Governors;
- a financial procedures manual detailing financial controls and procedures;
- a professional internal audit function whose annual programme is approved by the Audit Committee;

The Audit Committee on behalf of the Board of Governors, has reviewed the effectiveness of the College's system of internal financial control. Any system of internal control can, however, only provide reasonable but not absolute, assurance against material misstatement or loss.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY OF ST MARY'S UNIVERSITY COLLEGE

Opinion

We have audited the non-statutory financial statements of St Mary's University College ('the College'), which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows for the financial year ended 31 July 2023, 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, St Mary's University College's non-statutory financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice and with the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education of the assets, liabilities and financial position of the College as at 31 July 2023 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education.

Basis of Opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the College's ability to continue as a going concern for a period of a 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 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 other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- Income from the Sponsoring Department, grants and income, for specific purposes and from other restricted funds administered by the College during the year ended 31 July 2023 have been applied for the purpose for which they were received; and
- Income during the year ended 31 July 2023 has been applied in accordance with the College's statutes and where appropriate, with the Financial Memorandum with the Sponsoring Department.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Financial Memorandum requires us to report to you if, in our opinion:

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

Responsibilities of the Governing Body

As explained more fully in the Statement of responsibilities of the Governing Body, the Governing Body is responsible for the preparation of the non-statutory financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102, and for such internal control as the governors determine is necessary to enable the preparation of non-statutory financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

Based on our understanding of the College and industry, we identified that the principal risk 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 financial statements.

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

- enquires 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;

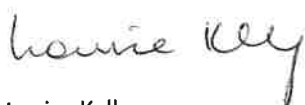
Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- 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 indication 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 financial statement disclosures to underlying supporting documentation and inquiries of management.

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

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

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



Louise Kelly
For and on behalf of
Grant Thornton (NI) LLP
Registered Auditors
Chartered Accountants
Belfast

30th November 2023

ST MARY'S UNIVERSITY COLLEGE
STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
PERIOD ENDED 31ST JULY 2023

	<i>Notes</i>	2023 £000	(Restated) 2022 £000
INCOME			
Tuition fees and education contracts	1	4,252	4,236
Funding body grants	2	4,888	4,889
Research Income	3	61	-
Other income	4	772	721
Investment income	5	167	9
Total Income		10,140	9,855
EXPENDITURE			
Staff costs	6	6,627	6,675
Other operating expenses		2,995	2,403
Depreciation		369	346
Interest and other finance costs	7	12	85
Total Expenditure	8	10,003	9,509
Surplus for the year		137	346
Actuarial gain in respect of pension schemes		-	4,710
Total Comprehensive Income for the year		137	5,056

The accounting policies and notes on pages 19 to 34 form part of the financial statements.


ST MARY'S UNIVERSITY COLLEGE
PERIOD ENDED 31ST JULY 2023

	Income and Expenditure	Pension Reserve	Total
	£000	£000	£000
Balance at 31 July 2021	9,785	(4,005)	5,780
<hr/>			
Total comprehensive income	7,955	-	7,955
Actuarial gain / loss with respect of pension schemes	(7,609)	7,609	-
Pension reserve transfer	705	(705)	-
Balance at 31st July 2022 as previously stated	10,836	2,899	13,735
Prior year adjustment		(2,899)	(2,899)
<hr/>			
Balance at 31st July 2022 restated	10,836	-	10,836
Total comprehensive income	137	-	137
Pension reserve transfer	199	(199)	-
Notional Surplus not recognised		199	199
<hr/>			
Balance at 31st July 2023	11,172	-	11,172
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The accounting policies and notes on pages 19 to 34 form part of the financial statements.

ST MARY'S UNIVERSITY COLLEGE
BALANCE SHEET
PERIOD ENDED 31ST JULY 2023

		2023 £000	(Restated) 2022 £000
Fixed assets			
Tangible fixed assets	9	19,967	15,063
		19,967	15,063
Current assets			
Debtors	10	264	507
Investments	11	2,500	3,500
Cash and cash equivalents	12	3,303	3,807
		6,067	7,814
Less Creditors: - amounts falling due within one year	13	(1,762)	(1,331)
Net current assets		4,305	6,483
Total assets less current liabilities		24,272	21,546
Less: Creditors - amounts falling due after more than one year	14	(13,100)	(10,710)
Total net assets		11,172	10,836
Unrestricted reserves			
Income and expenditure account		11,172	10,836



The Most Reverend Dr Donal McKeown DD
Chair of the Board of Governors
30th November 2023



Professor Peter Finn
Principal and Designated Officer
30th November 2023

The accounting policies and notes on pages 19 to 34 form part of the financial statements.

ST MARY'S UNIVERSITY COLLEGE
STATEMENT OF CASH FLOWS
PERIOD ENDED 31ST JULY 2023

	2023	(Restated)
	£000	2022
		£000
Cash inflow from operating activities		
Surplus for the year	137	346
Adjustment for non-cash items		
Depreciation	369	346
(Increase) / decrease in debtors	243	(297)
Increase / (decrease) in creditors due within one year	343	9
Increase / (decrease) in pension provisions	-	(6,904)
Movement in pension provision	199	7,609
Adjustment for investing or financing activities		
Investment Income	(167)	(9)
Interest payable	12	74
Capital grant income	(272)	(252)
Net cash inflow from operating activities	864	922
Cash flows from investing activities		
Investment income	167	9
Capital grant receipts	2,750	2,468
Withdrawal of deposits	3,500	3,500
New deposits	(2,500)	(3,500)
Payments made to acquire fixed assets	(5,273)	(2,768)
Total cash flows from investing activities	(1,356)	(291)
Cash flows from financing activities		
Interest paid / received	(12)	(74)
Total cash flows from financing activities	(12)	(74)
Increase / (decrease) in cash and cash equivalents in the year	(504)	557
Cash and cash equivalents at beginning of the year	3,807	3,248
Cash and cash equivalents at end of the year	15	3,807

The accounting policies and notes on pages 19 to 34 form part of the financial statements.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1 Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard 102. 'The Financial Reporting standard applicable in the United Kingdom and the Republic of Ireland'.

2 Going concern

The governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. The College therefore continues to adopt the going concern basis in preparing its financial statements.

3 Income Recognition

The College recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the College retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the College and (e) when specific criteria relating to each of the College's sales channels have been met, as described below.

Fee income is stated gross of any expenditure which is not a discount and recognised as income over the period in which students are studying.

Investment income is recognised on a receivable basis.

Funds the College receives and disburses as paying agent on behalf of a funding body are excluded from income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

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

Grants (including research grants) from non-government sources are recognised in income when the College is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Capital Grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

4 Employee benefits

The College provides a range of benefits to employees, including paid holiday arrangements and defined benefit pension plans.

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which service is received.

Pension Plans

The two principal pension plans of the College's staff are the Northern Ireland Teachers Pension Scheme (TPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Superannuation Committee (NILGOSC). The plans are defined benefit plans which are externally funded and contracted out of the State Second Pension.

Teachers Pension Scheme

The Teachers Pension Scheme is a multi-employer defined benefit scheme. It requires the College to pay a contribution to central government reflecting benefits earned during the year. These contributions are not put aside into a separate fund nor are additional contributions thereafter required by central government. The pensions are paid by central government. The government treats the pension scheme as an unfunded defined benefit scheme. It is not possible for the scheme to identify each institution's share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Therefore this plan is treated as though it were a defined contribution plan. The College pays contributions to the scheme at rates determined by the government actuary. These contributions are recognised in the period in which they are due.

Local Government Pension Scheme (NILGOSC)

The NILGOSC scheme is a defined benefit scheme. Under defined benefit schemes, the College's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the College. The College recognises a liability for its obligations under defined benefits plans net of plan assets. The net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the College is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

5 Foreign currency

The College's functional and presentation currency is the pound sterling.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

6 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with maturities of three months or less and bank overdrafts.

7 Provisions and contingencies

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of past events; it is probable that outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the College's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

8 Taxation

The 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 506 (1) of the Taxes Act 1988. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 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 College receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the cost of such inputs. Any irrecoverable VAT arising on fixed assets is included in their cost.

9 Fixed assets

Fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Land and Buildings

Buildings are stated at cost and are depreciated over their expected useful lives of 50 years. No depreciation is charged on assets in the course of construction.

Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.

Equipment

Equipment including computers and software, costing less than £10,000 per individual item, or group of related items, is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is depreciated on a straight line basis over its expected useful life of 5 years.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the equipment.

10 Financial assets

Basic financial assets, including trade receivables and cash and bank balances, are initially held at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets, including investments, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

11 Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

12 Critical accounting estimates and judgements

The preparation of the College's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition seldom equal the related actual results.

NOTES TO THE ACCOUNTS

1	Tuition fees and educational contracts	2023	2022
		£000	£000
	Full-time home and EU students	4,055	4,002
	Part-time students	197	234
		4,252	4,236
2	Funding body grants	2023	2022
		£000	£000
	Recurrent teaching grant	4,284	4,282
	Capital grants recognised in the year	272	252
	Specific grants		
	Widening Access	77	77
	International Awareness	40	32
	Education for Mutual Understanding	37	24
	Primary Irish Medium Education	81	81
	Post Primary Irish Medium Education	81	81
	Irish Medium Field Courses	16	10
	Transitional Experience Initiative	-	50
		4,888	4,889
3	Research Income	2023	2022
		£000	£000
	Research Income	61	-
		61	-
4	Other Income	2023	2022
		£000	£000
	Catering operations	153	117
	Other grant income	534	534
	Other income	85	70
		772	721

5	Investment income	2023 £000	2022 £000
	Short-term investments	69	9
	Expected return on pension scheme assets	98	-
		167	9

6	Staff costs	2023 £000	2022 £000
	Salaries	4,856	4,617
	Social security costs	508	492
	Other pension costs	1,263	1,566
		6,627	6,675

Emoluments of the Principal	2023 £000	2022 £000
Salary	130	125
Pension contributions	33	31
	163	156

The Principal's basic salary is 3.1 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the College to its staff.

The Principal's total remuneration is 3.1 time the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration by the College of its staff.

For 2022-23 the Principal's salary increased by the nationally agreed pay rise for higher education staff of 3%. In February 2023 all College staff received an interim pay increase for 2023/24 of 2%: The Board of Governors agreed to increase the Principal's salary by the same amount. The Principal is the most senior officer of the College and has ultimate responsibility for the development and delivery of the St Mary's strategy, as well as for ensuring the long-term sustainability. He is responsible for maintaining and promoting the College values and distinctive identity, for the achievement of high standards in education and research and for protecting the institution's reputation. In determining the salary of the Principal the Remuneration Committee take into account the value of the role, specific expertise and experience required. The salary of the Principal is based on pay benchmarking data and the value of the performance of the post holder as measured against set objectives. Pay benchmarking data indicated that the median salary for heads of institutions is £195,000 across Guild HE institutions with an income under £40million. The median pay ratio for English higher education institutions for 2021/22 published by UCEA was 7.0 compared to 3.1 for the College.

Remuneration of other higher paid staff, excluding employers pension contributions: no other employee's remuneration exceeded £100,000.

Average staff numbers by major category:	2023 FTE	2022 FTE
Academic	36	36
Academic Administration and Technical	11	11
Academic Services	14	13
Central Administration and Services	19	19
Staff and Student Facilities	3	3
Premises	19	19
Catering	6	6
	108	107

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and comprise the Principal, Director of Finance and Senior Tutors.

Key management personnel compensation	2023 £000	2022 £000
Salary	363	349
Social security costs	46	44
Pension contributions	86	83
	495	476

Governors

Due to the nature of the College's operations and the composition of the Board of Governors, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a governor may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest, including those identified below, are conducted at arms length and in accordance with the College's Financial Regulations and usual procurement procedures.

Members of the Board of Governors, other than the Principal and the staff member, did not receive any payment from the College other than reimbursement of travel and subsistence incurred in the course of their duties.

7	Interest and other finance costs	2023 £000	2022 £000
	Administrative charges on pension scheme	12	11
	Net interest on pension scheme	-	74
		12	85
8	Analysis of total expenditure by activity	2023 £000	2022 £000
	Academic Departments	3,275	3,223
	Academic Services	1,004	927
	Student Support	297	214
	Administration and central services	1,200	1,127
	Premises	2,249	1,763
	Catering	296	296
	Other funded activities	639	592
	Research	61	-
	Other Expenses	685	662
	Interest and other finance charges	12	85
	Other Pension Adjustments	285	620
		10,003	9,509
	Other operating expenses include	£000	£000
	External auditors remuneration: audit services	15	8
	External auditors remuneration: non-audit services	6	3

9

Fixed assets

	Buildings £000	Equipment £000	Total £000
Cost			
At 1 August 2022	19,943	1,535	21,478
Additions	5,273	-	5,273
At 31 July 2023	25,216	1,535	26,751
Depreciation			
At 1 August 2022	4,940	1,475	6,415
Charge for the year	339	30	369
At 31 July 2023	5,279	1,505	6,784
Net book value at 31 July 2023	19,937	30	19,967
Net book value at 31 July 2022	15,003	60	15,063

10

Debtors

	2023 £000	2022 £000
Amounts falling due within one year:		
Other trade receivables	67	73
Other receivables	6	9
Prepayments and accrued income	191	425
	264	507

11	Current investments	2023 £000	2022 £000
	Short-term deposits	2,500	3,500
		2,500	3,500
12	Cash and cash equivalents	2023 £000	2022 £000
	Cash and cash equivalents	3,303	3,807
		3,303	3,807
13	Creditors: amounts falling due within one year	2023 £000	2022 £000
	Trade payables	222	154
	Social security and other taxation payable	123	-
	Accruals and deferred income	1,057	905
	Deferred income - government capital grants	360	272
		1,762	1,331
14	Creditors: amounts falling due after one year	2023 £000	2022 £000
	Deferred income - government capital grants	13,100	10,710
		13,100	10,710

15	Provisions: Defined benefit obligations	2023	2022
		£000	£000

At 1 August 2022	-	4,005
Movement	-	(7,609)
Utilised in year	199	705
Notional Surplus not recognised	(199)	-
Prior year adjustment	-	2,899
At 31 July 2023	-	-

Defined benefit obligations relate to the liabilities under the College's membership of the Northern Ireland Local Government Pension Scheme (NILGOSC).

16	Capital commitments	2023 £000	2022 £000
	Commitments contracted at 31 July 2023	-	2,141
	Authorised but not contracted	1,909	3,100
		1,909	5,241

17 Events after the reporting period

There were no material events after the reporting period.

The College's employees belong to two principal post-employment benefit plans: the Northern Ireland Teachers Pension Scheme for academic staff and the Northern Ireland Local Government Scheme for non-academic staff, which is managed by the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC). Both are multi-employer defined benefit plans.

Total Pension cost for the period	2023 £000	2022 £000
Teachers Pension Scheme	516	510
Local Government Pension Scheme	747	1,056
	1,263	1,566

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31st March 2016 and of NILGOSC 31st March 2022.

Teachers Pension Scheme

The Northern Ireland Teachers Pension Scheme is a statutory, contributory, defined benefit scheme, governed by the Teachers Pension Regulations (Northern Ireland) 2014. These regulations apply to teachers in schools and other educational institutions in Northern Ireland. Membership is automatic for teachers and lecturers following appointment. Teachers and lecturers are able to opt out of the TPS.

The latest actuarial review of the NITPS was carried out as at 31st March 2016. The key results were: that employer contribution rates were set at 25.1% of pensionable pay and that total scheme liabilities for service to the valuation date were £9,290 million and notional assets were £8,230 million giving a notional past service deficit of £1,060 million.

Under the definitions set out in FRS 102 (28.11), the NITPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution plan. The College has set out above the information available on the plan.

Northern Ireland Local Government Pension Scheme

The NILGPS is a funded defined benefit plan, with the assets held in separate funds administered by the Northern Ireland Local Government Officers Superannuation Committee (NILGOSC). The total contribution made for the year ended 31st July 2023 was £628,000, of which employer's contributions totalled £465,000 and employees' contributions totalled £163,000. The agreed contribution rates for 2022/23 were 19.5% to 31 March 2023 and 19% from April 2023 for employers and 5.5% to 10.5% for employees depending on salary.

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31st March 2022 by a qualified independent actuary.

	2023 £000	2022 £000
Rate of increase in salaries	4.00%	2.00%
Future pension increases	2.75%	2.75%
Discount rate for scheme liabilities	5.10%	3.55%
Future increase in Retail Prices Index (RPI)	3.15%	3.20%
Future increase in Consumer Prices Index (CPI)	2.75%	2.75%

Amounts recognised in the balance sheet	2023 £000	2022 £000
<i>Assets</i>		
Equities	10,289	9,987
Property	2,481	3,170
Gilts	5,167	6,499
Multi asset credit	3,126	3,285
Cash / Other	2,898	2,920
Total value of assets	23,961	25,861
Present value of funded liabilities	(21,643)	(22,962)
	2,318	2,899
Total surplus / (deficit)	2,318	2,899
Net asset / (liability)	2,318	2,899

Reconciliation of the value of the liabilities	2023	2022
	£000	£000
Opening value of liabilities	22,962	31,086
Service cost	747	1,056
Administration expenses	12	11
Member contributions	163	152
Interest on liabilities	825	536
Actuarial losses from change in financial assumptions	(5,069)	(9,579)
Actuarial losses from change in demographic assumptions	(647)	(12)
Actuarial losses / (gains) from experience	3,016	53
Benefits paid	(366)	(341)
Closing value of liabilities	21,643	22,962

Reconciliation of the value of the assets	2023	2022
	£000	£000
Opening value of assets	25,861	27,081
Expected return	923	462
Actuarial gains / losses	(3,082)	(1,929)
Employer contributions	462	436
Member contributions	163	152
Assets distributed on settlement	(366)	(341)
Closing value of assets	23,961	25,861

Actual return on fund assets	2023	2022
	£000	£000
The actual return on fund assets was	(2,159)	(1,467)

Amount charged in the Income and Expenditure Account	2023	2022
	£000	£000
Service cost	747	1,056
Administration costs	12	11
Net interest cost / (credit)	(98)	74
	661	1,141

Amount recognised in Other Comprehensive Income	2023 £000	2022 £000
Actuarial gains / (losses)	-	4,710
		4,710

Amounts for the current and previous two periods	2023 £000	2022 £000	2021 £000
Liabilities	(21,643)	(22,962)	(31,086)
Assets	23,961	25,861	27,081
Surplus / (deficit)	2,318	2,899	(4,005)
Experience gain / (loss) on liabilities	(3,016)	(53)	211
Experience gain / (loss) on assets	(3,082)	(1,929)	4,012

19	Amounts disbursed as agent	2023 £000	2022 £000
	Student support funds		
	Opening balance	6	46
	Department for Employment and Learning grants	72	58
	Disbursed to students	(70)	(55)
	Unspent admin allocation returned to DfE	-	(43)
	Balance unspent at 31st July 2023	8	6

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

20 Accounting estimates and judgements

The College makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Useful economic lives of fixed assets

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Impairment of debtors

The College makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aged profile of debtors and historical experience.

Defined benefit pension schemes

The College has an obligation to pay pension benefits to employees. The cost of these benefits and the present value of the obligations depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

21 Prior year adjustment

In the prior year, the actuarial valuation resulted in a pension asset of £2,899,000 which was recognised in the financial statements. However, upon review this asset should not have been recognised as the contributions cannot be recovered under the NILGOSC scheme. The derecognition of this asset has therefore been adjusted in the prior year, reducing net assets and Other Comprehensive Income by £2,899,000.