



**ST MARY'S UNIVERSITY COLLEGE**  
**Financial Statements**  
**31st July 2025**

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## FINANCIAL REPORT

### The College

St Mary's University College is governed under a Scheme of Management agreed with the Department for the Economy. Originally established as a college of education, it is a higher-education institution as defined by Article 30(3) of the Education and Libraries (Northern Ireland) 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 (DfE) in accordance with the terms of a partnership agreement and the provisions of the 1993 Order. 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 undergraduate and postgraduate programmes in Initial Teacher Education, a BA degree in Liberal Arts, a part-time Master of Education, and an MSc in Physical Education 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.

Summary Results for the Year	2025 (£'000)	2024 (£'000)
Income	10,816	10,741
Expenditure	10,106	10,327
Surplus / (Deficit)	710	414

### Operating Context

The 2024–25 academic and financial year was characterised by continued financial constraint across the Northern Ireland higher-education sector. Flat-cash recurrent-grant funding, capped tuition fees, and inflationary pressures on staff and other costs placed significant stress on institutional budgets. Within this environment, the College sustained financial resilience, protected its academic delivery, and maintained the quality of its student experience.

Guided by its *Institutional Plan 2024–27* and its eight strategic pillars, the College linked financial performance to strategic outcomes across identity, education, students, staff, partnerships, campus, governance, and financial future. The *Business Plan 2024–25* continued to embed measurable targets and accountability, enabling performance monitoring by the Board of Governors and the Department for the Economy.

### Results for the Year

The College achieved a core operating surplus of £708,000 (2024: £414,000), equivalent to 6.6 % of total income compared with 3.9 % in 2024. This represents a strong outcome reflecting disciplined financial management.

Discretionary reserves increased to £12.142 million (2024: £11.520 million), representing 112 % of annual income. This growth demonstrates the College's long-term financial cautiousness and provides a strong buffer against volatility in grant funding and inflationary pressures on pay and pensions.

Key Financial Performance Indicators	2025	2024
Operating surplus ratio	6.6%	3.9%
Liquidity (days)	195	172
Current ratio	3.2	2.7
Staff costs to income	63%	63%
Cash & short-term investments	£5.08 m	£4.65 m
Net cash inflow (outflow) from operations	£614 k	(£197 k)
Reserves as a % of income	112%	107%

The College's financial position remains robust across all major indicators. The operating surplus ratio strengthened to 6.6%, confirming that the College continues to generate sufficient funds to reinvest in its estate and academic programme. Liquidity improved to 195 days, providing significant assurance of the College's ability to meet its short-term obligations. The current ratio increased to 3.2: 1, confirming a healthy balance between assets and liabilities.

Cash and short-term investments rose by £430,000, with net cash generation of £614,000 from operations, reversing the small outflow recorded in the previous year. Staff costs remained stable at 63 % of income — well controlled relative to sector averages for teaching-focused institutions. Discretionary reserves now stand at more than 112% of annual income, representing a strong level of balance-sheet resilience for a small specialist college and a key safeguard of long-term sustainability.

These positive results demonstrate the College's continued ability to operate efficiently, maintain a strong liquidity position, and support reinvestment in its infrastructure while dealing with real-term funding constraints.

### Income

Total income rose marginally to £10.816 million (2024: £10.741 million). Government-grant income increased by 3.7 % to £5.262 million representing 49 % of total income. This includes £225,000 received through the Department for the Economy's Skill Up programme, which provides funding for postgraduate professional learning. This initiative has been a valuable addition to the College's funding base supporting programme diversification. Its long-term continuation would have a positive impact on the College's financial sustainability by broadening income sources and contributing to more stable planning assumptions.

Tuition-fee income increased by only 1.9 % to £4.407 million, accounting for 41 % of income. This modest rise was primarily driven by the modest tuition-fee increase of only 0.85 % approved by DfE for 2024–25. As tuition fees represent more than 40% of the College's total income, the limited uplift had a material effect on revenue growth: fee income increased by just £83,000 on the prior year despite stable enrolments. The policy effectively suppressed potential income gains and continued to restrict the College's ability to offset rising costs within a flat-cash funding environment.

Full-time student enrolment, including MSc students, remained stable at 868 (2024: 867). The decline in part-time MEd modules from 145 to 114 reduced related income by £24,000, partially offset by growth in postgraduate full-time numbers.

### Expenditure

Total expenditure decreased by 2.1 % to £10.108 million (2024: £10.327 million). Staff costs were £6.819 million (2024: £6.787 million), representing 63 % of income. Average staff numbers fell to 114 full-time equivalents (2024: 118).

The overall reduction in expenditure reflects both lower premises costs overall and the timing of works under the minor-works and maintenance budget. Approximately £200,000 of planned expenditure was deferred until immediately after the financial year end due to contractor availability. This temporary delay contributed to the larger reported surplus for 2024–25, and the works have since been completed early in the current financial year.

Expenditure within Academic Departments was broadly stable at £3.3 million, maintaining direct investment in teaching and programme delivery. Academic Services rose slightly to £1.0 million, reflecting continued investment in digital systems, library operations, and student-learning resources. Student Support increased to £361,000 (2024: £334,000) as the College strengthened its wellbeing and pastoral-care provision.

Administration and Central Services increased to £1.4 million (2024: £1.27 million), primarily because of inflationary pressures on supplies and services and investment in information systems. Premises costs fell from £1.886 million to £1.562 million, reflecting a reduction in the minor works maintenance allocation.

The overall profile of expenditure shows that the College continues to prioritise core academic delivery, student support, and the maintenance of its estate while controlling discretionary costs.

### Cash and Treasury Management

The College operates a robust Treasury Management Policy overseen by the Finance Committee. This policy ensures the prudent management of cash resources, maintenance of liquidity, and protection of the College's investment portfolio. Surplus cash is placed in short-term deposits with approved counterparties, ensuring both capital security and an appropriate return.

Net cash inflow from operating activities was £614,000, compared with an outflow of £197,000 in 2024. The year-end balance of cash and short-term investments was £5.078 million (2024: £4.648 million). The strong cash position reflects careful timing of capital expenditure, effective working-capital management, and continued financial prudence.

The College maintained 195 days of net liquidity at year-end, demonstrating capacity to meet all foreseeable obligations and absorb short-term fluctuations in cash flow. Reserves remain fully unencumbered, and the College carries no external debt. Liquidity ratios continue to compare favourably with benchmarks for small specialist institutions.

The College will continue to prioritise the efficient management of working capital and the preservation of liquidity, recognising that maintaining financial flexibility is essential in a funding environment where both income and grants are constrained.

### Balance Sheet and Reserves

The College's balance sheet remains strong and debt-free. Net assets increased to £12.143 million (2024: £11.520 million), supported by healthy liquidity and sustained operating surpluses. The College continues to maintain a high reserve-to-income ratio, providing resilience and financial flexibility in an uncertain funding landscape.

Fixed assets totalled £22.654 million (2024: £22.564 million) following modest additions (£608,000) relating to the College Hall Lobbies and teaching-space improvements. The estate is in good physical condition, with more than 90 % of the campus rated in condition A or B for functionality.

Current assets were £5.544 million (2024: £5.576 million), reflecting high liquidity and prudent cash deployment. Debtors decreased to £466,000 (2024: £928,000). Current liabilities fell to £1.710 million (2024: £2.081 million). Deferred capital grants totalled £14.345 million (2024: £14.539 million) and continue to represent long-term DfE capital investment in the College's estate.

Reserves increased by £622,000, strengthening the College's capacity to self-finance capital investment, absorb cost pressures, and manage volatility in grant funding.

### Capital Investment

Capital expenditure during the year amounted to £608,000 (2024: £3.069 million), after the completion of the College's most significant programme of campus renewal in over a decade. The main projects completed were the College Hall Lobbies (£226,000) and teaching-space refurbishment (£407,000).

The College has now transitioned to a sustainable pattern of smaller-scale investment as set out in the *Capital Development Plan 2025–28*. Around £1.5 million will be invested from internal reserves over the next three years to support improvements in teaching facilities, digital infrastructure, and environmental sustainability.

A key feature of the College's long-term estates strategy is the proactive allocation of sufficient funding each year to minor works and planned maintenance. This ensures that the estate remains in good condition, prevents the accumulation of backlog maintenance, and avoids large remedial expenditure in future years. This policy forms part of the College's wider financial-sustainability strategy — spreading investment evenly over time, protecting asset value, and maintaining a safe, efficient, and fully functional learning environment.

## Pensions

The College participates in two principal pension schemes: the Teachers' Pension Scheme (TPS) for academic staff and the Northern Ireland Local Government Pension Scheme (NILGOSC) for non-academic staff. The NILGOSC defined-benefit pension scheme recorded an actuarial surplus of £6.234 million (2024: £3.224 million), due primarily to changes in corporate-bond yields and improved asset valuations. In line with accounting standards, the College has not recognised this surplus on the balance sheet as it cannot be accessed or recovered. Total pension costs charged to expenditure were £1.171 million (2024: £1.084 million).

## Public Benefit Entity

St Mary's University College is a public benefit entity whose primary purpose is the advancement of education for the public good.

The College provides undergraduate and postgraduate programmes in initial teacher education, liberal arts, and professional learning, contribution directly to the supply and quality of teachers and to the wider cultural and intellectual life of Northern Ireland.

The College's public benefit is achieved through a range of activities that serve both students and the wider community:

**Widening access and participation:** St Mary's continues to attract students from a broad social and geographical background. In 2025, 19 % of students were from Quintile 1 of the Multiple Deprivation Measures indices. The College offers bursaries and targeted support to ensure that financial circumstance is not a barrier to entry or success.

**Support for students:** The College provides a value-based environment with extensive academic, pastoral, and wellbeing support, including additional counselling capacity introduced in 2024-25.

**Community and cultural engagement:** The College makes its campus and facilities available for educational, cultural and faith-based events, and staff contribute expertise to schools, voluntary organisations, and community projects.

**Professional learning and workforce development:** Through the Department for the Economy's *Skill Up* programme and its own professional-learning courses, the College supports teachers and educators across Northern Ireland to update skills and enhance classroom practice.

**Irish-medium education and regional development:** The College's specialist provision in Irish-medium and its partnership with schools continues to strengthen linguistic diversity and community cohesion.

**Research and scholarship:** Staff undertake applied research and scholarly activity in education and the humanities, enriching teaching and contributing to policy and professional debate.

All surpluses are reinvested to maintain and enhance facilities, support teaching and learning, and ensure the long-term sustainability of the College. Investment during the year included digital-learning upgrades, improved accessibility across the estate and progress on the College Hall refurbishment.

The College has applied the public benefit entity provision of FRS102 and the Higher Education SORP (2019) in preparing these financial statements.

## Principal Risks and Uncertainties

The College operates a comprehensive risk-management framework overseen by the Board of Governors and the Audit Committee. Risks are identified, assessed, and recorded in the College *Risk Register*, which is reviewed regularly by senior management and reported formally to the Board. Each risk is assigned an owner, control measures, and performance indicators, with assurance provided through internal audit, external audit, and management review.

The top five principal risks faced by the College at the end of the 2024-25 year were:

Rank	Principal Risk
1	Failure to achieve long-term financial sustainability
2	Failure to maintain adequate staff capacity to deliver academic programmes
3	Failure to achieve student recruitment and retention targets
4	Failure to align ITE programmes with Department of Education strategic priorities
5	Major breach of cyber security

These risks reflect the key challenges inherent in operating as a small, specialist institution in a constrained funding environment. The most significant risk remains the sustainability of the current funding model, as static income levels cannot indefinitely offset rising pay, pension, and regulatory costs. Staff-capacity and succession risks are closely monitored through workforce planning, while recruitment and retention are supported by targeted outreach and partnership activity. Academic alignment with departmental policy is maintained through regular engagement with the Department of Education. Cyber risk continues to receive active investment and assurance through enhanced digital-security controls and monitoring.

### Financial Sustainability

The core challenge facing the College remains the structural funding imbalance within Northern Ireland's higher-education system. Income growth is constrained by flat-cash grants and capped tuition fees, while pay and pension costs continue to rise. The College will continue to advocate, through the forthcoming Ministerial Review of Higher Education Funding, for a sustainable model with inflation-linked allocations, multi-year settlements, and recognition of the diseconomies of scale affecting small specialist institutions.

### Going Concern

The Board of Governors has considered the College's financial position, liquidity, and forecasts and is satisfied that St Mary's University College has adequate resources to continue in operational existence for the foreseeable future.

The College achieved a surplus of £708,000 in 2024-25 and holds cash and short-term investments of £5.1 million, equivalent to 195 days of liquidity. Financial forecasts for the period to July 2028 project sustainable operating surpluses of around 2-3% of income each year, based on prudent assumptions for income and cost growth.

Funding from the Department for the Economy has been formally confirmed for 2025-26, including the ongoing £400,000 annual uplift in the recurrent grant. Student recruitment remains strong, with stable full-time enrolment and a planned modest increase from the introduction of a new postgraduate programme. The College has no borrowings and continues with positive cash-flows.

Sensitivity analysis undertaken by management indicates that the College would remain cash-positive and maintain adequate reserves under a range of adverse scenarios, including higher-than-expected pay awards or minor fluctuations in student numbers. No material uncertainties have been identified that would cast significant doubt on the College's ability to continue as a going concern.

Accordingly, the Board has adopted the going-concern basis in preparing the 2024-25 financial statements.

### Future Developments

The 2025 results confirm the College's financial strength, operational resilience, and continuing adherence to the principles of good governance and stewardship.

The College remains committed not only to maintaining sound finances but also to sustaining its wider contribution to the community. Through its civic engagement, partnerships with schools and educational bodies, and support for local cultural and social initiatives, St Mary's continues to play a distinctive role in the life of West Belfast and beyond.

St Mary's enters 2025–26 from a position of confidence — supported by sound finances, effective governance, and a clear strategic direction — and remains committed to its mission to provide an excellent education founded on Christian values. The College will maintain its focus on three priorities: securing financial stability; strengthening academic provision; and investing in its people and estate.

As part of its academic-development strategy, the College plans to introduce a new postgraduate programme designed to expand its academic portfolio and achieve a modest increase in student numbers over the next planning period. This initiative builds on the success of the MSc in Physical Education and Sport for Young People and aligns with the College's strategic goal to diversify provision and strengthen its position within the postgraduate market.

The *Capital Development Plan 2025–28* will ensure continued incremental improvement to the campus, while succession planning will support the development of future leadership capacity. We will continue to engage with Queen's University under our collaborative partnership agreement and align with DfE and DE priorities in teacher education and skills development.

## 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 2025 were as follows:

### ***Ex-officio Governors***

The Most Reverend Alan McGuckian DD (Chair)  
 Professor Peter Finn (Principal)  
 Rev Fr Eugene O'Hagan (Vice Chair)

### ***Nominated Governors***

Miss Mairead Weir  
 Mrs Angela Mervyn  
 Mrs Gillian McGrath  
 Mr Fintan Murphy

### ***Representative Governors***

Dr James Uhomobhi	Retired February 2025
Mrs Leeann Vincent	Retired February 2025
Ms Laura Leonard	Appointed February 2025
Ms Christina Magill	Appointed February 2025
Mr Dáithí Murray	Appointed February 2025
Mr Garry Matthewson	Appointed February 2025

### ***Nominated by the Senate of Queen's University Belfast***

Ms Helen McNeely  
 Professor Judy Williams

### ***Academic Staff Governor***

Rev Dr Paul Fleming

### ***Student Representative***

Mr Daire Stevenson

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 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 2025 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 Partnership Agreement with the Department and any other conditions which the Department may from time to time prescribe;
- 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 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, 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 2025 and of its financial performance for the financial year then ended; and
- have been properly prepared in accordance with the 2019 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 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 information included in the Annual Report, other than the non-statutory financial statements and our auditor's report thereon, including the Governor's Report. The governors are responsible for the other information. Our opinion on the non-statutory financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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

- Income from the Sponsoring Department, grants and income, for specific purposes and from other restricted funds administered by the College during the year ended 31 July 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 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](http://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, 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

27th November 2025

<b>ST MARY'S UNIVERSITY COLLEGE</b>			
<b>STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE</b>			
<b>PERIOD ENDED 31ST JULY 2025</b>			
	<i>Notes</i>	<b>2025</b>	<b>2024</b>
		<b>£'000</b>	<b>£'000</b>
<b>INCOME</b>			
Tuition fees and education contracts	1	4,407	4,324
Funding body grants	2	5,262	5,078
Research Income	3	39	93
Other income	4	803	966
Investment income	5	304	281
<b>Total Income</b>		<b>10,816</b>	<b>10,741</b>
<b>EXPENDITURE</b>			
Staff costs	6	6,819	6,787
Other operating expenses		2,685	3,055
Depreciation		589	472
Interest and other finance costs	7	13	13
<b>Total Expenditure</b>		<b>10,106</b>	<b>10,327</b>
Surplus for the year		710	414
Actuarial gain/ (loss) in respect of pension schemes		2,925	840
Pension asset ceiling adjustment		(3,010)	(906)
<b>Total Comprehensive Income for the year</b>		<b>625</b>	<b>348</b>

The accounting policies and notes on pages 19 to 31 form part of the financial statements.

<b>ST MARY'S UNIVERSITY COLLEGE PERIOD ENDED 31ST JULY 2025</b>		
	Income and Expenditure £'000	Total £'000
<b>Balance at 31 July 2023</b>	11,172	11,172
Total comprehensive income	1,254	1,254
Pension reserve transfer	(906)	(906)
<b>Balance at 31st July 2024</b>	11,520	11,520
Total comprehensive income	625	625
<b>Balance at 31st July 2025</b>	12,145	12,145

The accounting policies and notes on pages 19 to 31 form part of the financial statements.

<b>ST MARY'S UNIVERSITY COLLEGE BALANCE SHEET PERIOD ENDED 31ST JULY 2025</b>			
		<b>2025 £'000</b>	<b>2024 £'000</b>
<b>Fixed assets</b>			
Tangible fixed assets	9	22,654	22,564
		22,654	22,564
<b>Current assets</b>			
Debtors	10	468	928
Investments	11	2,000	3,000
Cash and cash equivalents	12	3,078	1,648
		5,546	5,576
<b>Less Creditors: - amounts falling due within one year</b>	13	(1,710)	(2,081)
<b>Net current assets</b>		3,836	3,495
<b>Total assets less current liabilities</b>		26,490	26,059
Less: Creditors - amounts falling due after more than one year	14	(14,345)	(14,539)
<b>Total net assets</b>		12,145	11,520
<b>Unrestricted reserves</b>			
Income and expenditure account		12,145	11,520

*+ Alan Mc Guckian SJ*

The Most Reverend Alan McGuckian SJ  
Chair of the Board of Governors  
27th November 2025

*Peter B. Finn*

Professor Peter Finn  
Principal and Designated Officer  
27th November 2025

The accounting policies and notes on pages 19 to 31 form part of the financial statements.

<b>ST MARY'S UNIVERSITY COLLEGE</b>		
<b>STATEMENT OF CASH FLOWS</b>		
<b>PERIOD ENDED 31ST JULY 2025</b>		
	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash inflow from operating activities</b>		
Surplus for the year	710	414
<b>Adjustment for non-cash items</b>		
Depreciation	589	472
(Increase) / decrease in debtors	460	(664)
Increase / (decrease) in creditors due within one year	(367)	275
Movement in pension provision	(85)	(66)
<b>Adjustment for investing or financing activities</b>		
Investment Income	(304)	(281)
Interest payable	13	13
Capital grant income	(401)	(360)
<b>Net cash inflow from operating activities</b>	<b>615</b>	<b>(197)</b>
<b>Cash flows from investing activities</b>		
Investment income	304	281
Capital grant receipts	204	1,843
Withdrawal of deposits	3,000	4,500
New deposits	(2,000)	(5,000)
Payments made to acquire fixed assets	(680)	(3,069)
<b>Total cash flows from investing activities</b>	<b>828</b>	<b>(1,445)</b>
<b>Cash flows from financing activities</b>		
Interest paid / received	(13)	(13)
<b>Total cash flows from financing activities</b>	<b>(13)</b>	<b>(13)</b>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>	<b>1,430</b>	<b>(1,655)</b>
Cash and cash equivalents at beginning of the year	1,648	3,303
Cash and cash equivalents at end of the year	12	1,648

The accounting policies and notes on pages 19 to 31 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 2019 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**

St Mary's University College is treated as an exempt charity for tax purposes and is therefore entitled to the charitable exemptions provided by sections 478-489 of the *Corporation Tax Act 2010* and section 256 of the *Taxation of Chargeable Gains Act 1992* in respect of income and gains applied to its 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.

The College reviews the carrying value of tangible assets for indicators of impairment annually; no impairments were recognised.

### *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

<b>1 Tuition fees and educational contracts</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Full-time home and EU students	4,263	4,156
Part-time students	144	168
	<b>4,407</b>	<b>4,324</b>
<b>2 Funding body grants</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Recurrent teaching grant	4,181	4,275
Capital grants recognised in the year	401	360
Specific grants	680	443
	<b>5,262</b>	<b>5,078</b>
<b>3 Research Income</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Research Income	39	93
	<b>39</b>	<b>93</b>
<b>4 Other Income</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Catering operations	238	217
Other grant income	445	630
Other income	120	119
	<b>803</b>	<b>966</b>
<b>5 Investment income</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Short-term investments	146	164
Expected return on pension scheme assets	158	117
	<b>304</b>	<b>281</b>

6 Staff costs	2025 £'000	2024 £'000
Salaries	5,076	5,175
Social security costs	572	528
Other pension costs	1,171	1,084
	6,819	6,787

Emoluments of the Principal	2025 £'000	2024 £'000
Salary	137	135
Pension contributions	40	36
	177	171

The Principal's salary is determined annually by the Board of Governors on the recommendation of the College's Remuneration Committee, a sub-committee of the Board. In reaching its recommendation for 2024–25, the Committee acted in accordance with the *Higher Education Senior Staff Remuneration Code* (CUC, 2021), taking into account transparency, fairness, performance, and benchmarking against comparable institutions.

The Committee considered national pay negotiations, relevant benchmarking data from the Universities and Colleges Employers Association (UCEA) *Senior Staff Remuneration Survey 2023*, and the performance of the College as measured through its annual Business Plan Dashboard and institutional Key Performance Indicators.

For 2024–25, the Committee recommended that the Principal's salary be increased in line with the final pay settlement arising from the national Joint Negotiating Committee for Higher Education Staff (JNCHES) negotiations, which for 2024–25 resulted in an overall 2.2 % uplift. The Board of Governors subsequently approved this recommendation.

In accordance with the CUC Code, the Committee reviewed comparative remuneration data for heads of institution within the GuildHE sector and for principals of further-education colleges in Northern Ireland. The median salary for heads of GuildHE institutions in 2022–23 was £215,700, while the median for principals of further-education colleges in Northern Ireland was £117,000.00

The Committee noted that the Principal's salary remained below the GuildHE sector median, consistent with the College's scale, mission, and regional context.

For 2024–25, the Principal's basic salary was 3.1 times the median pay of College employees (2023–24: 3.1). The equivalent median ratio for the UK higher-education sector in 2023–24 was 6.9, and the Northern Ireland sector average was 4.0. The Committee concluded that the ratio continued to demonstrate an appropriate balance between the remuneration of the Principal and that of other employees, consistent with the College's ethos and scale of operations.

The Committee took account of the College's sustained financial performance, the achievement of targets set out in the Institutional and Business Plans, successful delivery of major capital projects, effective engagement with the Department for the Economy and other stakeholders, and progress in the areas of academic quality, and student satisfaction. These outcomes were judged to reflect the effective leadership and management of the College by the Principal.

The Principal is the most senior officer of the College and has ultimate responsibility for the development and delivery of institutional strategy, the stewardship of resources, and the maintenance of academic standards and reputation.

The Remuneration Committee continues to apply the principles of proportionality and transparency in determining senior-staff pay. It ensures that any increases are consistent with sector benchmarks, reflect performance, and are affordable within the College's overall pay policy and financial framework.

No additional benefits, bonuses, or allowances were paid to the Principal during the year. The Principal is an active member of the Teachers' Pension Scheme (Northern Ireland).

The Remuneration Committee reports annually to the Board of Governors and provides a written report summarising its deliberations and recommendations. The Committee comprises independent members of the Board and is chaired by a lay governor. Its terms of reference require that all recommendations regarding the Principal's remuneration are evidence-based, fully minuted, and made without the Principal's involvement.

Average staff numbers by major category:	2025 FTE	2024 FTE
Academic	41	41
Academic Administration and Technical	8	11
Academic Services	13	14
Central Administration and Services	22	21
Staff and Student Facilities	4	4
Premises	19	20
Catering	7	7
	114	118

No material severance payments were made during the year.

#### 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	2025 £'000	2024 £'000
Salary	353	361
Social security costs	46	45
Pension contributions	93	88
	492	494

#### 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.

<b>7 Interest and other finance costs</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>

Administrative charges on pension scheme	13	13
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	13	13
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<b>8 Analysis of total expenditure by activity</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>

Academic Departments	3,286	3,304
Academic Services	1,016	992
Student Support	361	334
Administration and central services	1,395	1,246
Premises	1,562	1,886
Catering	386	385
Other funded activities	657	773
Research	38	93
Other Expenses	743	704
Depreciation	589	472
Interest and other finance charges	13	13
Other Pension Adjustments	60	125

	10,106	10,327
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<b>Other operating expenses include</b>	<b>£'000</b>	<b>£'000</b>
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External auditors remuneration: audit services	15	15
External auditors remuneration: non-audit services	12	2

9 Fixed assets	Buildings £'000	Equipment £'000	Total £'000
<b>Cost</b>			
At 1 August 2024	28,162	1,658	29,820
Additions	652	28	680
<hr/>			
At 31 July 2025	28,814	1,686	30,500
<hr/>			
<b>Depreciation</b>			
At 1 August 2024	5,725	1,531	7,256
Charge for the year	560	29	589
<hr/>			
At 31 July 2025	6,285	1,560	7,845
<hr/>			
<b>Net book value at 31 July 2025</b>	<b>22,528</b>	<b>126</b>	<b>22,654</b>
<hr/>			
Net book value at 31 July 2024	22,437	127	22,564
<hr/>			

10 Debtors	2025 £'000	2024 £'000
Amounts falling due within one year:		
Other trade receivables	173	41
Other receivables	19	13
Prepayments and accrued income	276	874
<hr/>		
	468	928
<hr/>		

11 Current investments	2025 £'000	2024 £'000
Short-term deposits	2,000	3,000
<hr/>		
	2,000	3,000
<hr/>		

<b>12 Cash and cash equivalents</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	3,078	1,648
	<b>3,078</b>	<b>1,648</b>

<b>13 Creditors: amounts falling due within one year</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	291	349
Social security and other taxation payable	127	156
Accruals and deferred income	890	1,172
Deferred income - government capital grants	402	404
	<b>1,710</b>	<b>2,081</b>

<b>14 Creditors: amounts falling due after one year</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Deferred income - government capital grants	14,345	14,539
	<b>14,345</b>	<b>14,539</b>

<b>15 Capital commitments</b>	<b>2025</b>	<b>2024</b>
	<b>£'000</b>	<b>£'000</b>
Authorised but not contracted	385	1,909
	<b>385</b>	<b>1,909</b>

#### **16 Events after the reporting period**

There were no material events after the reporting period.

## 17 Pension Scheme

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	2025 £'000	2024 £'000
Teachers Pension Scheme	604	552
Local Government Pension Scheme	567	532
	1,171	1,084

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 29.1% 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 2025 was £687,000, of which employer's contributions totalled £508,000 and employees' contributions totalled £179,000. The agreed contribution rates for 2024/25 were 19% and 5.5% to 10.5% for employees depending on salary.

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

Principal actuarial assumptions	2025 £'000	2024 £'000
Rate of increase in salaries	4.00%	4.00%
Future pension increases	2.70%	2.80%
Discount rate for scheme liabilities	5.70%	4.95%
Future increase in Retail Prices Index (RPI)	3.00%	3.15%
Future increase in Consumer Prices Index (CPI)	2.70%	2.80%

Amounts recognised in the balance sheet	2025 £'000	2024 £'000
<i>Assets</i>		
Equities	11,933	10,756
Property	2,887	2,460
Gilts	6,719	5,612
Multi asset credit	3,836	3,492
Cash / Other	3,409	4,615
<hr/>		
Total value of assets	28,784	26,935
Present value of funded liabilities	(22,550)	(23,710)
<hr/>		
	6,234	3,225
<hr/>		
Total surplus / (deficit)	6,234	3,225
<hr/>		
Net asset / (liability)	6,234	3,225

The College does not recognise the net asset on the balance sheet. In accordance with FRS 102 and the Higher Education SORP, the asset has been reduced to zero as the surplus is not recoverable by the College.

Reconciliation of the value of the liabilities	2025 £'000	2024 £'000
Opening value of liabilities	23,710	21,643
Service cost	567	532
Administration expenses	13	13
Member contributions	179	176
Interest on liabilities	1,182	1,112
Actuarial gains/losses from change in financial assumptions	(2,683)	652
Actuarial losses from change in demographic assumptions	5	(27)
Actuarial losses / (gains) from experience	(1)	5
Benefits paid	(422)	(396)
<hr/>		
Closing value of liabilities	22,550	23,710

Reconciliation of the value of the assets	2025 £'000	2024 £'000
Opening value of assets	26,934	23,961
Expected return	1,342	1,229
Actuarial gains / losses	244	1,470
Employer contributions	507	494
Member contributions	179	176
Assets distributed on settlement	(422)	(396)
<hr/>		
Closing value of assets	28,784	26,934

Actual return on fund assets	2025 £'000	2024 £'000
The actual return on fund assets was	1,584	2,699

Amount charged in the Income and Expenditure Account	2025 £'000	2024 £'000
Service cost	567	532
Administration costs	13	13
Net interest cost / (credit)	(158)	(117)
	422	428

Amount recognised in Other Comprehensive Income	2025 £'000	2024 £'000
Actuarial gains / (losses)	2,925	840
	2,925	840

Amounts for the current and previous two periods	2025 £'000	2024 £000	2023 £'000
Liabilities	(22,550)	(23,710)	(21,643)
Assets	28,784	26,935	23,961
Surplus / (deficit)	6,234	3,225	2,318
Experience gain / (loss) on liabilities	(1)	(5)	(3,016)
Experience gain / (loss) on assets	244	1,470	(3,082)

18 Amounts disbursed as agent	2025 £'000	2024 £'000
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#### Student support funds

Opening balance	5	8
Department for Employment and Learning grants	35	40
Disbursed to students	(25)	(43)
Unspent admin allocation returned to DfE	-	-
Balance unspent at 31st July 2025	15	5

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.

## 19 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.