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Annual Report  
and Financial Statements

**2021**  
**22**

**Belfast Metropolitan College  
Annual Report and Accounts  
For the year ended 31 July 2022**

*The Accounting Officer authorised these  
financial statements for issue  
on  
30 November 2022*

*Laid before the Northern Ireland Assembly  
under the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008  
by the Department for the Economy*

*on*

*8 December 2022*

**Belfast Metropolitan College**  
**Annual Report and Financial Statements**  
**For the year ended 31 July 2022**

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# Foreword

By Chair of Governing Body

## FOREWORD BY CHAIR OF GOVERNING BODY



After three academic years of the COVID-19 pandemic, with a greater return to face-to-face learning in 2021/22 the year had the potential to feel nearly normal – or as close to it as we have had in some time. However, it proved to be no less challenging for us all as government safety measures shifted throughout and persistent infection rates continued to provide a changing background to our delivery. Our learners, leaders and people remained steadfast throughout and prevailed to achieve 23 Student Awards, three Corporate Awards and nine Staff Awards across our ‘C.A.R.E.’ values of Collaboration, Ambition, Respect and Excellence. This year, as we emerged from the pandemic, we took the opportunity to take stock and reflect on the quality of our engagement with our learners, employees and employers through three important satisfaction surveys.

We are very proud to still be cultivating an environment where all students feel welcome and secure, as well as offering a learning experience which our students clearly value. In 2022, Belfast Met’s overall learner satisfaction rating, measured by our annual Learner Satisfaction Survey remained high at 93%.

The College also continues to pride itself in delivering real benefits to our learners who go on to secure their first job and take advantage of greater career opportunities from higher qualifications. Given we now know that the COVID-19 pandemic has disproportionately affected younger people in terms of job opportunities, it is satisfying to note that of those learners who left the College in 2019-20, 86.5% went into employment or on to further learning. This demonstrates our success in getting people upskilled so they are labour market ready or can move onto the next stage of their learning journey.

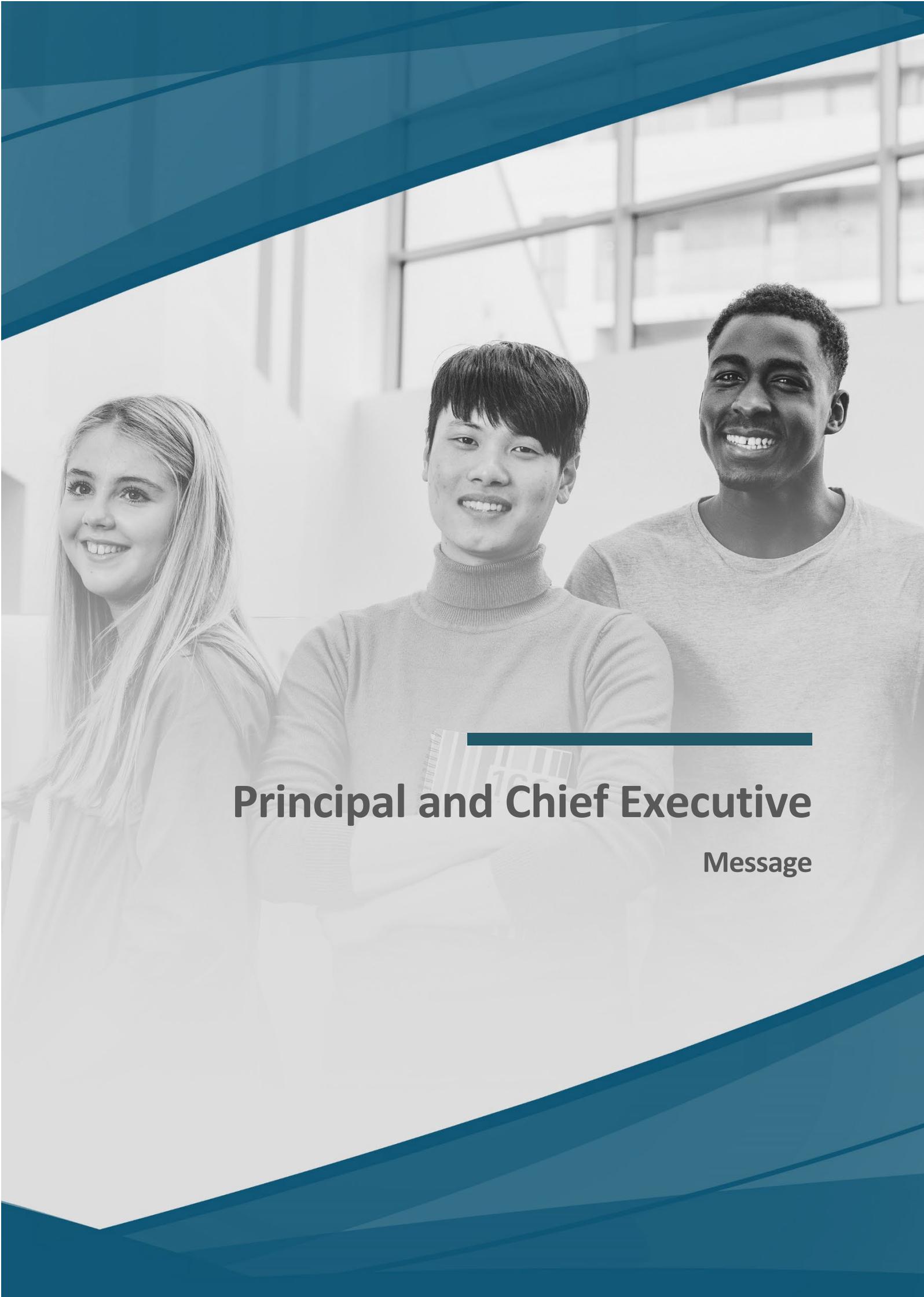
In terms of our engagement with employers, 2022 also saw the development of an employer satisfaction indicator for the College. Through our inaugural Employer Satisfaction Survey, we established a baseline employer satisfaction rate of 90%. We hope to consolidate this very promising score in years to come by continuing to lead on the delivery of academic, work-based learning, and business and innovation programmes, supporting Northern Ireland’s employers increase their productivity and become more successful.

We also recognise that the commitment and engagement of all our employees is critical to our effective engagement with both our learners and employers. Although the lingering impact of the pandemic may have still been felt by employees across the past year, the ability of Belfast Met to ensure employees remain engaged with the College and the achievement of its objectives remain paramount. Our confidential and independently run Employee Satisfaction Survey and supporting focus groups helped us re-establish a new baseline of employee satisfaction and reconfirmed that our employees care passionately about our learners and are committed to delivering for them. We look forward to using the beneficial feedback we have received this year as part of our commitment to improve employee satisfaction year on year.

I commend Belfast Met’s staff, my fellow governors, Department for the Economy colleagues, business partners and, most importantly, our learners for retaining their focus throughout 2021/22. My hope is for a more stable year in 2022/23 as we continue in our Purpose of *‘equipping learners, driving innovation and transforming lives’*.

A handwritten signature in dark ink that reads "Frank Bryan". The signature is written in a cursive, flowing style.

**Frank Bryan**  
Chair of Governing Body



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# Principal and Chief Executive

Message

## MESSAGE FROM PRINCIPAL AND CHIEF EXECUTIVE



I welcomed the announcement in Summer 2021 that Further Education Colleges could return to full face-to-face learning. We continued to play our part in response to the pandemic as vaccination clinics were launched across four campuses to provide easy access for students and the local community to get their Covid vaccine. During the year as government safety measures eased, our campuses returned to life and the comprehensive cross-College response to the pandemic concluded.

2021/22 saw the publication of our new three-year Strategic Plan 'Choose Success 2021/22 – 2023/24' and the articulation of our 5 strategic objectives to be:

- College of Choice
- Employer of Choice
- Partner of Choice
- Digital by Design
- Sustainable by Nature.

I am pleased that we have made significant progress during the first year of our Strategic Plan, delivering or progressing 89% of activity planned for the year. This report sets out in greater detail College performance against these objectives and our achievements to date.

The pandemic has been a great teacher and as a learning organisation we continue to reflect on the impact on our College community as well as the ensuing fundamental socio-economic changes to ensure our approach and delivery remains relevant. In particular, in the last year we have undertaken a number of student, staff and employer surveys and baseline exercises to establish a solid evidence base to inform future strategic planning.

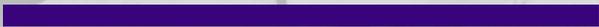
As we learn to live, learn and work with COVID-19, FE Colleges have never been more relevant in terms of helping re-build and prepare learners for the next stage of their educational or employment journey. As the Further Education College for the capital of Northern Ireland and the Belfast City Region, Belfast Met must continue to respond to the unique opportunities afforded by the expected post-pandemic economic growth in the region, whilst also remaining prepared to deal with the challenges of areas that have some of the highest levels of poverty, economic inactivity and deep-rooted social problems in the country.

One of the major impacts of the COVID-19 pandemic was the change to the way in which people work. Our role as Belfast's Further Education College is to help prepare our learners for this new world of work. We as a College are ready to step up to these challenges and recognise the important role that Belfast Met will play in ensuring that businesses in the Belfast City Region continue to have access to local skills and talent in order to facilitate post-pandemic economic growth.

The College has also been involved in the Department for the Economy's initial review of the FE delivery model in Northern Ireland. We are keen to continue our participation in this review, following the findings of this initial report and to shape and understand our role in furthering future FE provision in Northern Ireland.

I am optimistic that the forthcoming academic year will see a relatively settled year for us all. I look forward to welcoming all our learners and staff back onto campus again in September 2022 and delivering on Year 2 of our Strategic Plan to further consolidate our position as a College, Employer and Partner of Choice.

**Louise Warde Hunter**  
Principal and Chief Executive



# Strategic Report

2021-22

## STRATEGIC REPORT 2021-22

### NATURE, OBJECTIVES AND STRATEGIES

The Governing Body members present their report and the audited financial statements for the year ended 31 July 2022.

#### Legal Status

The current arrangements for further education in Northern Ireland were established by The Further Education (Northern Ireland) Order 1997 with colleges being self-governing incorporated bodies with effect from 1 April 1998. Based on this legislation, the Office for National Statistics, in 2010, reclassified colleges as part of Central Government. This has resulted in colleges being determined as Non-Departmental Public Bodies.

The College has been granted charitable status by the UK HM Revenue and Customs.

#### Purpose of Further Education in Northern Ireland

The purpose of the further education sector is to improve skills in Northern Ireland, increase economic participation and widen access and inclusion and in doing so support economic development.

#### Strategic Context

Belfast Met has a dual mandate to promote economic growth and social inclusion and our provision is fully aligned with the key Government policies and projects which set the policy and delivery context for Belfast Met, namely:

- NI Economic Strategy
- NI Economic Recovery Plan 2022-25
- Skills for 10X Economy – Skills strategy for NI
- NI 10X Economic Strategy
- DfE Transformation Programme
- NI Government Instability and Departmental Fiscal Pressure
- College Long-Term Financial Sustainability Strategic Commitment
- New Decade, New Approach
- Programme for Government
- Transition of Young People into Careers (14–19) project
- Tourism Recovery Action Plan
- Forthcoming Independent Review of Education
- Belfast Region City Deal.

#### About Belfast Met

Our Vision, Purpose and Values were reaffirmed in the refreshed 2021/22 – 2023/24 Strategic Plan, *'Choose Success'*, which places our learners at the heart of everything we do.

#### Vision

Our Vision is to be a:

- College of Choice for learners
- Employer of Choice for talent
- Partner of Choice for employers and businesses

**Purpose**

Equipping learners, driving innovation, transforming lives.

**Values**

Four core values underpinning our work are:

**Collaboration**

Forging strong and creative partnerships based on shared goals and mutual respect, striving to bring out the best performance, and delivering clear and tangible outcomes.

**Ambition**

Determined to accomplish great things for our learners, our college, our business and industry partners, the communities we serve, and the city of Belfast and beyond.

**Respect**

Valuing everyone's contribution, acting with courtesy and consideration, providing help and support when needed, and always behaving in an honest, transparent and fair manner.

**Excellence**

Making excellence part of our day-to-day working lives, seeking continuous quality improvement, and setting and achieving the highest possible standards for individuals and for the College.

**Choosing Success 2021/22-2023/24**

2021/22 saw the publication of our new 2021/22 – 2023/24 Strategic Plan, *'Choose Success'*.

The College outlines its priorities within the Strategic Plan to ensure continuous improvement in the delivery of our dual mandate of promoting economic growth and social inclusion. These priorities are based upon the wider, long-term outcomes identified by the Northern Ireland Executive and the Department for the Economy. They were developed on the basis of internal and external analysis of performance information, key government policies and socio-economic data as well stakeholder engagement.

The College articulated the following five key objectives:

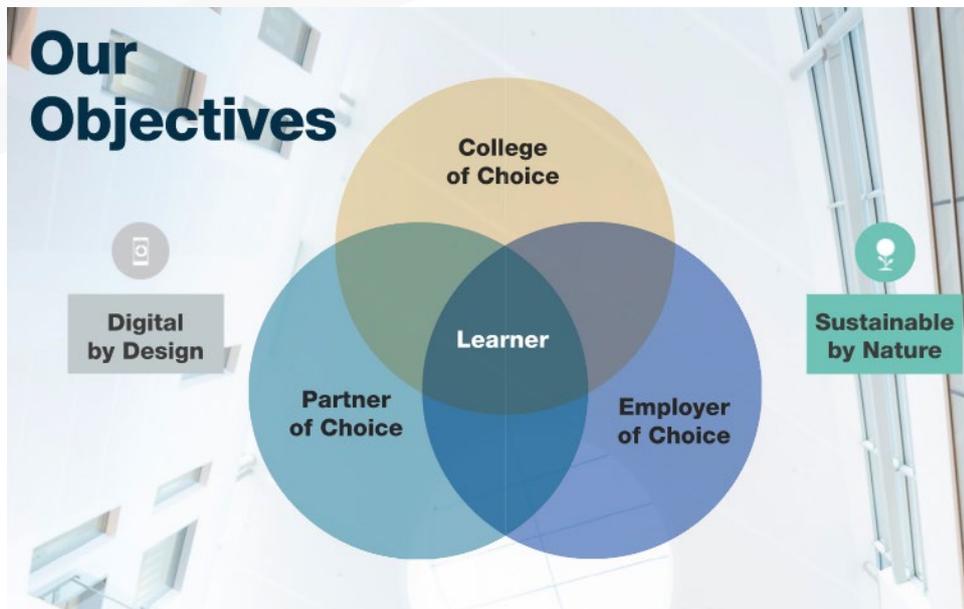
**Objective 1:** To be a College of Choice, providing learners with an excellent learning experience on relevant, high-performing and flexible skills and education programmes that enable them to progress into work or further study.

**Objective 2:** To become an Employer of Choice, committed to attracting and developing talented people to realise the College's purpose.

**Objective 3:** To be a Partner of Choice, playing a central part in developing and supporting the delivery of education, skills, employability and business development programmes regionally, nationally and internationally.

**Objective 4:** Digital by Design, using digital solutions to enhance teaching and learning to improve how we work.

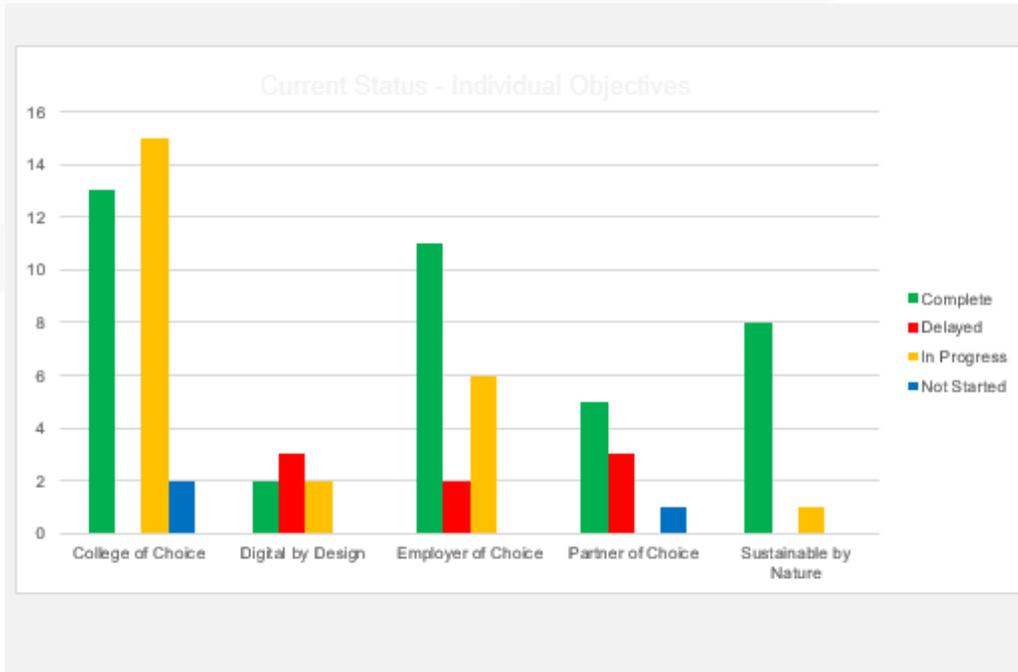
**Objective 5:** Sustainable by Nature, using our role as educators to inspire, celebrate and advance the sustainability agenda, maximising our positive impact on the environment, economy and communities we serve.



A comprehensive range of actions to deliver on our dual mandate of promoting economic growth and social inclusion are articulated within the Strategic Plan, underpinning operational plans, as well as the College Development Plan 2022/23, Widening Access and Participation Plan 2022/23 – 2024/25, the College Equality Scheme, the Disability Action Plan, and the Whole College Quality Improvement Plan 2021/22 and 2022/23.

#### Progress against the Strategic Plan

We made the following progress against our strategic objectives during the first operational year of 2021/22 – 2023/24 Strategic Plan, 'Choose Success':



We identified 10 strategic targets within the Strategic Plan and committed to reporting progress against these annually in an impact report to Governing Body, which has been published on the [College website](#).

We achieved, exceeded or progressed 100% of our 10 strategic targets as follows:

Target Number	Target	Progress
<b>What did we do?</b>		
1. Learners on main programmes	Meet <u>all</u> our enrolment targets for our <u>main programmes</u> as agreed in our Annual College Development Plan for each year of this Strategic Plan.	While we exceeded our overall enrolment targets across full-time Further Education (FE), part-time FE, part-time Higher Education (HE) in FE, Training for Success, Traineeships and Essential Skills, we fell short of target across full-time HE in FE, Apprenticeships NI and Higher-Level Apprenticeships.  Our overall enrolments in 2021/22 were 19,171 against a planned target of 18,648.
2. Learners on targeted inclusion programmes	Increase the percentage of enrols on non-core targeted programmes by 5% from the baseline position in 2020/21.	We increased the percentage of people participating in social inclusion programmes by 18% from the baseline position in 2020/21.
<b>How well did we do it?</b>		
3. Learner retention, achievement and success	Consolidate our rates for retention, achievement and success. This means maintaining a 91.6% retention rate, 87.7% achievement rate and an 80.3% success rate	Despite the lasting effects of the Covid pandemic and the many social barriers to educational attainment that some of our students face, they persisted to achieve and succeed:  Retention 90.6% Achievement 86.7% Success 78.5%

4. <b>Learner satisfaction</b>	<b>Consolidate a student satisfaction rate of 90%</b> (average of Learner Satisfaction Survey and National Student Survey results).	Student satisfaction increased to 92%.
5. <b>Employer satisfaction</b>	<b>Develop a baseline of Employer Satisfaction.</b>	We established an Employer Satisfaction baseline of 90%.
6. <b>Employee satisfaction</b>	<b>Develop a baseline of Employee Satisfaction.</b>	We established an Employee Engagement Index of 57.63/100, with younger employees more engaged than older staff members, and support staff more engaged than their academic colleagues.
7. <b>Sustainable finances</b>	<p>For the three years of this Strategic Plan, we aim to consolidate our financial position to live within our budget.</p> <p>Over the three years of the plan, we will seek to:</p> <ul style="list-style-type: none"> <li>•increase the total value and contribution of non-core funded programmes (including all apprenticeship programmes).</li> <li>•ensure we maximise the opportunities for additional funds we will seek to ensure that all our non-core programmes draw down at least 95% of total budgets throughout the period of this plan.</li> </ul>	<ul style="list-style-type: none"> <li>• We lived within our budget.</li> <li>• We increased our total non-core funded programmes income by 7.99% from 2020/21 to 2021/22.</li> <li>• We drew down 85% of total non-core programme budgets.</li> </ul>
8. <b>Corporate governance and accountability</b>	We will comply with <u>all</u> obligations placed upon us as a non-departmental public body.	<ul style="list-style-type: none"> <li>• We exceeded our overall enrolment target by 523 enrolments.</li> <li>• We were 100% compliant in providing timely accountability returns to our parent body, the Department for the Economy (DfE).</li> <li>• We are progressing all 62 of the key internal controls required of us by the Department for the Economy (DfE).</li> </ul>
9. <b>Business upskilling and reskilling</b>	<b>Produce a baseline across our business engagement programmes, including the number of businesses reached with an opportunity to upskill through business programmes.</b>	We enabled 248 businesses to upskill through business programmes and will use this as our baseline.
<b>Is anyone better off?</b>		
10. <b>Learner Progression</b>	<b>At least 90% of both FE and HE leavers going into further learning or employment <u>and</u> the number of those going into unemployment <u>reduced</u>.</b>	<p>89.5% of both FE and HE leavers went into further learning or employment.</p> <p>86.5% of FE leavers surveyed in 2019/20 were in further learning or employment six months after completing their course of study.</p> <p>90% of 2019/20 Belfast Met HE graduates were either in employment or further study 15 months after graduating. Belfast Met ranked above the UK HE sector (87%) and NI FE sector (85%) averages and matched the NI HE sector average of 90%.</p> <p><b>FE and HE leavers going into unemployment</b> 4.2% in 2018/19 5.4% in 2019/20</p>

## Performance against College Development Plan (CDP)

Belfast Met, along with all FE Colleges, ensures that our key priorities are based on the need of the population and are aligned to the policy context outlined earlier in this report.

In 2022, DfE approved [Belfast Met's College Development Plan 2021-22](#). This served as the baseline against which delivery of operational targets were measured throughout the academic year.

The Department for the Economy monitors our progress against three CDP report cards:

1. **Qualifications**
2. **Business**
3. **Social Inclusion**

A summary of performance against our three CDP report cards is set out in our [CDP Progress Report](#), submitted to the Department for the Economy, three times per year.

## Equal opportunities and employment of disabled persons

When carrying out all its functions, power and duties, Belfast Met has due regard to the need to promote equality of opportunity as set out in Section 75 of the Northern Ireland Act 1998:

- a) between persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation;
- b) between men and women generally;
- c) between persons with a disability and persons without; and
- d) between persons with dependants and persons without.

Without prejudice to its obligations above, the College is committed to promoting good relations between persons of different religious belief, political opinion or racial group. The College has included the promotion of good relations as part of the corporate planning process. The College is committed to the fulfilment of its Section 75 obligations in all parts of its organisation. The College will allocate necessary resources to ensure that the statutory duties are complied with and that the measures within the [Equality Scheme](#) to promote equality of opportunity are implemented effectively and on time. The College recognises its responsibility to provide a positive and inspiring experience in terms of equality of opportunity.

The College continues to raise awareness about its legal obligations to promote equality of opportunity and good relations and embed this into the curriculum. We seek to build social inclusion and opportunity through widening economic participation. We work with local communities in creating capacity, developing knowledge and skills, raising self-esteem and providing pathways into further training or employment. Belfast Met is involved in a huge array of activities that promote social inclusion, through delivery of core programmes to those from more disadvantaged backgrounds, activities related to college community outreach, and an inclusive curriculum and extension student support initiatives.

## Disability Statement

Belfast Met celebrates the diversity of its students and staff and works hard to ensure an environment where everyone is treated with dignity and respect. The following sections provide an

overview on how the College strives to deliver equality, diversity and inclusion in its service delivery and employment.

Under the Disability Discrimination Act (DDA) 1995 Belfast Met as a public authority has a responsibility in carrying out its functions, to have due regard to the need to promote positive attitudes towards people with a disability and encourage the participation of people with a disability in public life.

Under an amendment to the Disability Discrimination Act, Belfast Met is required to have a [Disability Action Plan](#) to promote positive attitudes towards people with a disability. This plan relates to all people with a disability who are exposed to our services including employees, customers, clients and service users as well as students. The College also adheres to its obligations under the Special Education Needs and Disability Order 2005 (SEND0).

The College submits a review of its process in relation to the relevant equality legislation to the Equality Commission by August 31 each year. This review and other information regarding our approach to equality and diversity is available at [Equality and Diversity - About Us - Belfast Met](#).

## FINANCIAL POSITION

### Financial Results

The Belfast Met Group (the College) generated an operating deficit in the year of £9.1m (2020-21 – deficit of £8.0m), stated after accounting for the disposal of property, plant and equipment.

The College group income for the year was £69.5m, an increase of £2.6m (4%) from 2020-21. This variance is explained by a net increase in DfE funding of £3.3m, Tuition fees of 0.3m and Other income of £0.1m offset by a decrease in Other Grant Income of £1.1m.

The College group expenditure for the year was £78.6m, an increase of £3.8m (5%) from 2020-21. This variance is explained mainly by increasing staff costs of £1.1m, increased operating expenditure of £2.2m and Depreciation and Interest of £0.4m.

The College has significant reliance on the DfE for its principal funding source, largely from recurrent grants. In 2021-22, DfE provided 60% of the College's total income through allocated recurrent grant (2020-21 60%). This represented 24.5% of the total recurrent grant available to the sector.

The increase in net assets from 31 July 2021 is primarily the result of the higher creditors amounts falling due within one year, a change to the method used to value fixed assets and revaluation of same and a decrease in the pension deficit of £24m from the prior year.

The pension's deficit on the Statement of Financial Position is measured as the assets held by the Fund less the value of the promised benefits to be paid to members (the defined benefit obligation, or 'liability'). Both assets and liabilities are those relating to the College's membership. The value of assets and liabilities can change significantly over an accounting period resulting in a highly volatile balance sheet position and the main reason for the decrease is a change in the financial assumptions used to calculate the defined benefit obligation, offset by lower than assumed returns on the fund assets over the period and losses due to inflation being higher than expected.

### Subsidiaries

Belfast Met operates two wholly owned subsidiary companies, Springvale Educational Village Ltd (SEV Ltd) and Belfast Metropolitan College Trust. Both companies are limited by guarantee; Belfast Metropolitan Trust is also a registered charity.

SEV Ltd owns the Community Learning Centre (CLC) on the Springvale site and the land on which it sits. Operations relate to renting out space to organisations on both a long and short-term basis. Tenants and customers include publicly funded and charitable institutions, many of whom provide outreach programmes that support people and help strengthen relations with the wider community. SEV Ltd has achieved a deficit of £24k in the year (2020-21 deficit £51k).

Belfast Metropolitan College Trust was established to secure and manage donations from former students and benefactors; to establish an alumnus; and to develop enhanced opportunities and facilities for College students. The Trust reported a net decrease in funds of £26k in the year (2020-21 increase of £2k).

Both subsidiary company accounts were audited and received an unqualified audit opinion for the year-end 31 July 2022.

### **Financial Resources**

The consolidated net assets at 31 July 2022 were £64.8m (2020-21 £35m restated). This includes £11.6m pension liability (2020-21 £35.4m), and a debtor of £0.5m on PFI prepayments (2020-21 £0.6m). The increase in Net Assets is largely due to a decrease in the pension liability of £23.8m, offset by an increase in creditors due less than one year of £4.1m.

### **Treasury policies and objectives**

Treasury management is the management of the College's cash flows, its banking, its money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. Belfast Met complies with the Management Statement / Financial Memorandum agreed with the DfE on all cash management processes.

### **Payment performance**

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95%.

During the accounting period 1 August 2021 to 31 July 2022, the college paid 97.9% of its invoices within 30 days (2020-21 97.5%) The college incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2021 to 31 July 2022, the college paid 78.9% of its invoices within 10 days (2020-21 80%).

### **Post Statement of Financial Position events**

No post Statement of Financial Position events have occurred that require changes to amounts or disclosures in the financial statements.

### **Going Concern**

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future Assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### Disclosure of information to auditors

These accounts are subject to audit by agreement by the Comptroller and Auditor General for Northern Ireland.

The members who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the college's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the college's auditors are aware of that information.

### Charitable and taxation status

The College has charitable status with HM Revenue and Customs and is not liable to corporation tax.

### Charitable/Political Donations

The College made no charitable or political donations during the year.

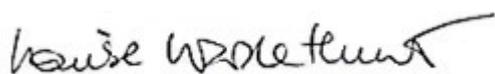
### Professional Advisers

External Auditors:           The Comptroller and Auditor General  
Northern Ireland Audit Office  
106 University Street  
Belfast  
BT7 1EU

Internal Auditors:           RSM Northern Ireland (UK) Ltd  
Number one,  
Lanyon Quay  
Belfast, BT1 3LG

Bankers:                       Danske Bank  
Donegall Square West  
Belfast, BT1 6 JS

Solicitors:                   Carson McDowell  
Murray House  
4 Murray Street  
Belfast, BT1 6D



Louise Warde Hunter  
Accounting Officer

Date 30 November 2022

## Members of the Governing Body

The members who served the governing body during the year were as follows:

Name	Date of Appointment Re-appointment Extension	Term of Office	Status of Appointment	Committees Served	Governing Body Attendance (inc Strat Plan)
<b>F Bryan (Chair)</b>	A 26/10/15 R26/10/19	25/10/19 25/10/23	BIP	None	9/9
<b>C Burns MBE</b>	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, HR	8/9
<b>K Burns</b>	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, RES	9/9
<b>K Collins</b>	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	ARC	8/9
<b>N Brijpaul</b>	A 14/09/21	13/09/25	Staff elected	CQE, RES	6/9
<b>S Dawson</b>	A 01/06/17 R1/06/21	31/05/21 31/05/25	Co-opted	CQE, RES	6/9
<b>J Leaden</b>	A 19/11/20	20/11/24	Staff elected	CQE, RES	9/9
<b>W Gillies</b>	A 01/08/11 R 01/08/15 E 01/08/19 E 01/05/20 E31/01/21 E01/08/21	31/07/15 31/07/19 30/04/20 31/01/21 01/08/21 31/12/21 (end)	BIP	RES	5/5
<b>Amy Carr</b>	A 20/10/20	13/06/21 (end)	Student elected	CQE, RES	1/6
<b>Tai Campbell</b>	A 06/07/22		Student elected	CQE, RES	1/1
<b>J McCall</b>	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	ARAC, HR	9/9
<b>J McGrillen</b>	A 01/08/11 R 01/08/15 E 01/08/19 E 01/05/20 E31/01/21 E31/7/21	31/07/15 31/07/19 30/04/20 31/01/21 31/07/21 31/12/21(end)	BIP	RES	0/5
<b>K O'Hare (Vice chair)</b>	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, RES	9/9
<b>S Snodden</b>	A 09/12/15 R 14/012/19	8/12/19 13/12/23	BIP	ARAC, HR	8/9
<b>B Wilson</b>	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, HR	9/9
<b>S McGoran</b>	A 13/01/22	12/01/26	BIP	ARAC, HR	3/4
<b>L McAteer</b>	A 13/01/22	12/01/26	BIP	HR, RES	4/4
<b>S Dallas</b>	A 13/01/22	12/01/26 (resigned to DfE 07/06/22)	BIP	None	2/2
<b>Y Murphy</b>	A 13/01/22	12/01/26	BIP	CQE, RES	4/4
<b>L Warde Hunter</b>	L Warde Hunter by virtue of office of Principal and Chief Executive is a member of the Governing Body				9/9

<sup>1</sup> BIP stands for Business, Industry and Professional

For and on behalf of the members of the Governing Body



Frank Bryan  
Chair of Governing Body

Date 30 November 2022



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# Remuneration Report

## BELFAST METROPOLITAN COLLEGE REMUNERATION REPORT

### Remuneration policy

#### Members of the Governing Body

There are normally eighteen members of the College Governing Body, most of whom are appointed in accordance with the Code of Practice of the Office of the Commissioner for Public Appointments for Northern Ireland. The majority of members are appointed for a fixed period of up to four years and thereafter they may be re-appointed in accordance with the Code of Practice.

The remuneration of Governing Body members (excluding staff members) was first introduced by the Department from 1 January 2016. There are no arrangements in place for the payment of a bonus. No member of the Governing Body, including the Chairperson, receives pension contribution from the College or the Department.

Belfast Met also reimburses Governing Body members for any incidental expenses incurred for carrying out their duties relevant to the organisation.

The remuneration of the Chairperson and Board members is as follows:

	2021-22				2020-21			
	Salary & allowance £'000	Benefits in Kind £'000	Pension benefits £'000	Total £'000	Salary & allowance £'000	Benefits in Kind £'000	Pension benefits £'000	Total £'000
Frank Bryan (Chairperson)	20-25	0	0	20-25	20-25	0	0	20-25
Catherine Burns	0-5	0	0	0-5	5-10	0	0	5-10
Kate Burns	0-5	0	0	0-5	0-5	0	0	0-5
Kay Collins	0-5	0	0	0-5	0-5	0	0	0-5
Jim McCall	5-10	0	0	5-10	0-5	0	0	0-5
Kathleen O'Hare	5-10	0	0	5-10	0-5	0	0	0-5
Wendy Gillies	0-5	0	0	0-5	0-5	0	0	0-5
Samuel Snodden	5-10	0	0	5-10	5-10	0	0	5-10
Seamus Dawson	0-5	0	0	0-5	0-5	0	0	0-5
Brian Wilson	0-5	0	0	0-5	0-5	0	0	0-5
James Campbell	0	0	0	0	0-5	0	0	0-5
Kacper Gromek	0	0	0	0	0-5	0	0	0-5
Maureen Walkingshaw	0-5	0	0	0-5	0	0	0	0
Amy Carr	0-5	0	0	0-5	0	0	0	0
Seamus McGoran	0-5	0	0	0-5	0	0	0	0
Stephen Dallas	0-5	0	0	0-5	0	0	0	0
Lauren McAteer	0-5	0	0	0-5	0	0	0	0
Yvonne Murphy	0-5	0	0	0-5	0	0	0	0

## **The Principal/Director and Senior College Staff**

The Principal/Director and the Senior College Staff appointments are made in accordance with the Belfast Met recruitment policy. The policy requires appointments to be made on merit based on fair and open competition.

The Principal/Director and Senior College Staff hold permanent appointments. Staff may be able to retire before state pension age with no diminution of earned pension benefits, depending on the terms of their pension. The policy relating to notice periods is contained in the Staff Handbook.

### **Minimum pay levels**

Minimum pay levels are dependent on College size and vary across the sector.

### **Progression**

There is no incremental progression for Principals/Directors as they are paid on a one-point scale according to college size. However, if the college size changes, they will automatically move to that new salary point.

At initial appointment, Deputy Directors are normally placed on the bottom point of the four-point scale relevant to the size of their college. Thereafter, there is annual incremental progression up the scale until the maximum of the scale is reached. A common incremental date of September is used for all Deputy Directors. If the college increases in size, a Deputy Director will automatically move to the new relevant salary scale.

### **Performance pay**

There is no performance pay or related scheme for any Deputy Director.

### **Total reward package**

Senior staff in colleges have access to the Northern Ireland Teachers' Pension Scheme.

Senior Staff posts are based on 36 hours per week and post holders have access to the College's Maternity Leave Scheme, Paternity Leave Scheme, Adoption Leave Scheme and flexible working arrangements.

All Senior Staff have 35 days holiday entitlement and a further twelve statutory and public holidays as recognised by the sector.

### **Service contracts**

College appointments are made on merit based on fair and open competition. Unless otherwise stated, the officials covered by this report hold appointments, which are open ended. Early

termination, other than for misconduct, would result in the individual being entitled to receive compensation.

### Salary and pension entitlements

The following sections provide details of the remuneration and pension interests of the most senior management of Belfast Met.

#### Remuneration (including salary) and pension entitlements [*Executive Directors*] (audited)

Senior Management	2021-22				2020-21			
	Salary £'000	Benefits in kind £'000	Pension benefits £'000*	Total £'000	Salary £'000	Benefits in Kind £'000	Pension Benefits £'000	Total £'000
<b>L Warde Hunter (Principal)</b>	120-125	0	35-40	160-165	120-125	0	35-40	155-160
<b>G Magee</b> (Director of People & Place)	85-90	0	20-25	110-115	85-90	0	30-35	115-120
<b>D Duffy</b> (Director of Partnerships & Sustainability)	90-95	0	35-40	130-135	90-95	0	25-30	115-120
<b>A Sloan<sup>1</sup></b> (Director of Corporate Services) *	70-75 (80-85 Full year equivalent)	0	25-30	95-100	0	0	0	0
<b>J Kettyle<sup>2</sup></b> (Director of Curriculum Innovation and Excellence (Interim))**	10-15 (60-65 Full year equivalent)	0	0-5	10-15	0	0	0	0
<b>J Heggarty<sup>3</sup></b> (Director of Curriculum)**	15-20 (90-95 Full year equivalent)	0	25-30	40-45	85-90	0	25-30	110-115
<b>E Hartin<sup>4</sup></b> (Chief Operating Officer)*	0	0	0	0	90-95	0	45-50	140-145

1. Appointed to the post (firstly in interim capacity) 13/09/21 2. Appointed 06/06/22 3. Left 13/09/21 4. Left 31/07/21 \* Role renamed \*\*Role renamed

The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

### Fair pay Disclosure – Pay Ratios

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration (excluding back dated pay award) of the highest paid director in the financial year 2021-22 was £120k - £125k (2020-21 £120k-£125k). The relationship between this band and the remuneration of the College's workforce is disclosed below:

2021-22	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration	£23,484	£32,408	£39,028
Ratio	5.25	3.81	3.16

2020-21	25 <sup>th</sup> percentile	Median	75 <sup>th</sup> percentile
Total remuneration	£21,322	£29,577	£37,513
Ratio	5.74	4.14	3.26

Total remuneration includes salary, non- consolidated performance-related pay, and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

The 25<sup>th</sup> percentile, median and 75<sup>th</sup> percentile remuneration values consist only of salary payments.

Remuneration ranged from £20k - £25k to £120k - £125k (20-21 £15k-£20k to £120-£125k).

### Fair Pay Disclosure – Percentage Change in Remuneration

Reporting bodies are required to disclose the percentage change from the previous financial year in the: (i) salary and allowances, (ii) performance pay and bonuses, of the highest paid direct and of the employees as a whole.

The percentage changes in respect of Belfast Metropolitan College are shown in the following table. It should be noted that the calculation for the highest paid director is based on the mid-point of the band within which their remuneration fell each year.

Percentage Change for:	2021-22 compared to 2020-21
Average employee salary and allowances	1.6%
Highest paid director's salary and allowances	0%

There is no performance related pay for the highest paid Director or any other employee.

The following pay awards were applied in 2021-22:

- Further Education Lecturers' Negotiating Committee (Lecturer's Contract of Employment)

In March 2022, in accordance with the provisions of Article 11, Schedule 3, paragraph 10.3 of the Further Education (Northern Ireland) Order 1997 the Constitution for Negotiating the Terms, Conditions of Service and Remuneration of Lecturers' Employed in Colleges of Further Education, the following changes were determined:

- 2.00% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility and Re-organisation) from 1 September 2019.
- 2.00% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility and Re-organisation) from 1 September 2020.

- Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contract of Employment)

In May 2022, in accordance with the provisions of Article 11, Schedule 3, paragraph 10.3 of the Further Education (Northern Ireland) Order 1997 and the Constitution for Negotiating the Terms, Conditions of Service and Remuneration of Non-Teaching Staff Employed in Incorporated Colleges of Further Education, the following change was determined:

- 1.75% increase in salary rates (including incremental increases) from 1 April 2021.

- Further Education Directors' Negotiating Committee (Principals & Deputy Directors)

In December 2021, the Northern Ireland College Employers' Forum, determined the following:

- 1.00% increase in salary rates (including incremental increases) from 1 September 2020.

All awards applied in 2021-22 were largely accrued in the previous financial year.

The College has accrued the following pay awards in 2021-22:

- Further Education Lecturers' Negotiating Committee (Lecturer's Contract of Employment)
  - 2.00% increase in salary rates (including allowances i.e., Threshold, Dean, Responsibility and Re-organisation) from 1 September 2021.
- Further Education Non-Teaching Staff Negotiating Committee (Non-Teaching Contract of Employment)
  - £1,925 increase on all spine rates (including incremental increases) from 1 April 2022 (based on NJC National Employers offer at July 2022).
- Further Education Directors' Negotiating Committee (Principals & Deputy Directors)
  - 1.00% increase in salary rates (including incremental increases) from 1 September 2021.

### **Salary**

'Salary' includes gross salary; performance pay or bonuses; overtime; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation.

### **Benefits in kind**

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument.

**Pension entitlements (audited)**

Senior Management	Accrued pension at pension age as at 31/7/22 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/22	CETV at 31/7/21	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
L Warde Hunter (Principal)	5 - 10 plus lump sum of 0	0 - 5 plus lump sum of 0	80-85	40 - 45	25-30
D Duffy (Director of Partnership & Sustainability)	15-20 plus lump sum of 0	0 - 5 plus lump sum of 0	270-275	230-235	35-40
G Magee (Director of People & Place)	25-30 plus lump sum of 15-20	0 to 5 plus lump sum of 0 to 5	370-375	335 - 340	15-20
A Sloan (Director of Corporate Services)	5-10 plus lump sum of 0-5	7-10 plus lump sum of 0	N/A	N/A	90-95
J Kettle (Director of Curriculum Innovation and Excellence (Interim))	10-15 plus lump sum of 30-35	0	270-275	N/A	N/A
J Heggarty (Director of Curriculum)	20-25 plus lump sum of 40-45	0-5 plus lump sum of 0-5	410-415	380-385	25-30
E Hartin (Chief Operating Officer)	-	-	-	205-210	-

**Pension arrangements**

Retirement benefits to employees of the college are provided by the Northern Ireland Teachers' Pension Scheme (NITPS) and the Local Government Pension Scheme for Northern Ireland administered by the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC).

**NILGOSC** is a funded defined benefit scheme. Benefits earned up to 31 March 2015 are linked to final salary. Benefits earned after 31 March 2015 are based on a Career Average Revalued Earnings Scheme.

From 1 April 2015, a member builds up retirement pension at the rate of 1/49<sup>th</sup> pensionable pay for each year. Pension benefits in relation to membership between 1 April 2009 and 31 March 2015 were built up at the rate of 1/60<sup>th</sup> pensionable pay for each year of membership. There is no automatic lump sum provided in respect of membership after 31 March 2009. Pension benefits in relation to any membership before 1 April 2009 were built up at the rate of 1/80<sup>th</sup> (pension) and 3/80ths (tax free lump sum) of pensionable pay for each year of membership up to 31 March 2009. At retirement, members may give up some pension for additional lump sum, subject to HM Revenue and Customs (HMRC) limits. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

The assets of the NILGOSC Scheme are measured using closing market values. NILGOSC liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Other Comprehensive Income section of the Statement of Comprehensive Income and Expenditure.

**NITPS** is a funded defined benefit scheme. The NI Teachers' Pension Scheme design changed from 1 April 2015. Existing scheme members who satisfied certain criteria remained in the existing final salary arrangements, whilst others started to have their benefits calculated using a combination of career average and final salary arrangements. A new entrant who joins the NITPS from 1 April 2015 will have their benefits calculated totally on a Career Average Revalued Earnings (CARE) basis. Benefits accrued prior to 1 April 2015 will be protected and remain in final salary arrangements. CARE schemes accumulate pension based on a fraction of pensionable earnings each year – for NITPS this is 1/57<sup>th</sup>. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at [www.education-ni.gov.uk](http://www.education-ni.gov.uk).

Contributions to the NITPS are calculated to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of **quinquennial** valuations using a prospective/benefit method. The NITPS is a multi-employer scheme and Belfast Met is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The NITPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

To comply with auto enrolment legislation Belfast Met joined the National Employment Savings Trust (NEST). Where an employee has previously opted out of NILGOSC or NITPS the College still has a duty to enrol them in a qualifying pension scheme (provided they meet certain earnings criteria). NEST was set up by Government to assist with this requirement. The College contributions to NEST are on a defined contribution basis at 3%.

### **Cash Equivalent Transfer Values**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the NILGOSC pension arrangements and for which the Fund has received a transfer payment commensurate with the additional pension liabilities being assumed. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2015 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.



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## **Governing Body**

**BELFAST METROPOLITAN COLLEGE****STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND GOVERNING BODY****FOR THE YEAR ENDED 31 JULY 2022**

Under the Further Education (NI) Order 1997, DfE (with approval from DoF), has directed the Governing Body to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction.

In preparing the financial statements the Accounting Officer on behalf of the Governing Body is required to:

- observe the Accounts Direction issued by DfE with the approval of DoF, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the college will continue in operation; and
- confirm that the Annual Report and Financial Statements as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Financial Statements and the judgments required for determining that it is fair, balanced and understandable.

The Governing Body is also required to prepare an Annual Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The maintenance and integrity of the College website is the responsibility of the Governing Body of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In addition, the Governing Body is responsible for securing the efficient and effective management of the College and ensuring that the college provides suitable and efficient further education.

The Accounting Officer of DfE has designated the Principal/Chief Executive as the Accounting Officer of the College. The responsibilities as an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the College's assets, are set out in Managing Public Money Northern Ireland (MPMNI) published by Department of Finance (DoF).

## STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2022

### Introduction

This is the Governance Statement for Belfast Met, which sets out the governance structures, risk management and internal control procedures that operated within the College during the 2021-22 financial year and up to the date of approval of the Annual Report and Accounts. This Governance Statement has been prepared in accordance with guidance issued by the Department of Finance (DoF) and is aimed at supporting better governance and driving more consistent, coherent and transparent reporting.

### Summary of the College's Structure of Corporate Governance

#### Governing Body

The Governing Body is established in accordance with the Further Education (Northern Ireland) Order 1997 which provides the statutory basis for further education in Northern Ireland. The Governing Body is subject to an Instrument and Articles of Government, the Management Statement/Financial Memorandum, the Audit Code and other regulatory requirements. In terms of governance, all other documents are subordinate to the Order and subject to its provisions.

The College's Governing Body is comprised of members appointed by the Minister for the Department for the Economy, staff and students of the College, the Principal & Chief Executive and people co-opted by the Governing Body. The role of the Chairman of the Governing Body is separate from the role of the College Principal & Chief Executive. The Governing Body is responsible for the on-going strategic direction of the College whilst the Executive Officers are responsible for the operational management of the College. The Governing Body approves all major developments and receives regular reports on the activities of the College. The Governing Body met six times during the 2020-21 academic year.

Four permanent committees support the Governing Body, Audit and Risk Assurance Committee (ARAC), Resources Committee (RES), Human Resources Committee (HR) and the Curriculum, Quality and Engagement Committee (CQE). A member of the Governing Body chairs each of the Committees. The Governing Body also has governors sitting on the Board of Belfast Met College Trust as Chairperson and Trustees and the Board of Springvale Educational Village Ltd as Directors. The Trust and Springvale Education Village are both separate legal entities and wholly owned companies of the college. As the need arises the Governing Body also makes use of specific project boards and personnel panels. Each permanent Committee has its own terms of reference and business cycle.

Information presented to the Governing Body is normally prepared by the appropriate business area and reviewed by the Executive team, and in the case of governance issues prepared by the Clerk to the Governing Body and reviewed by the Chairperson. The College aims to have all papers issued a week in advance of any Board meeting to allow members to review and, where appropriate, to raise

questions in advance. The relevant business area may then either be asked to attend the meeting or to provide more detail in advance of the meeting to support discussions. This ensures a high quality of reliable and up to date information is presented. The Governing Body is content with the quality and reliability of the information presented in 2021-22.

### **Governing Body performance and effectiveness**

During the year, the Board continued to commit to improving board performance and effectiveness by:

- Attending a range of internal and external training events, workshops and strategic planning days; and
- Regularly evaluating the effectiveness of the meetings of the Governing Body and its Committee.
- Undertaking a Governing Body self-assessment

All board members are given induction and ongoing training provided by both DfE and the College, the former focuses on issues including accountability, corporate governance, and the challenge function while the latter focuses on College specific matters including the structure, vision, values and objectives of the organisation, and college strategies including those relating to the curriculum, estates, IT, stakeholder engagement and HR.

### **Audit and Risk Assurance Committee**

The Audit and Risk Assurance Committee (ARAC) operates as an advisory body to the Governing Body and the Accounting Officer. The ARAC is responsible for reviewing the effectiveness of the College accounting procedures and systems of internal control. It also must satisfy itself that adequate arrangements are in place to promote economy, efficiency and effectiveness. The ARAC met four times during the 2021-22 year to discuss reports from the External and Internal Auditors and the relevant management responses. It reviewed the annual financial statements to ensure compliance with legislation and accounting standards.

The key issues discussed during the 2021-22 year were as follows:

- Internal Audit planning;
- Internal Audit reports including reviews as detailed below;
- NIAO matters including NIAO strategy and audit planning, Report To Those Charged with Governance (RTTCWG), and year end accounts;
- Risk management and opportunity;
- Follow up on outstanding recommendations from all sources;
- Compliance issues such as Direct Award contracts, Fraud, losses, and special payments, Whistleblowing notifications, Gifts and Hospitality notifications;
- DoF and DfE and other third-party correspondence including updated Audit Code, Health Checks, circulars and DAO letters;
- Stewardship Statement; and
- ARAC effectiveness evaluation.

The Internal Audit Annual report 2021-22 published in June 2022 resulted in the College achieving an overall rating of a 'Satisfactory' assurance. "Satisfactory" is the highest level of audit opinion as defined in Accounting Officer letter DAO (DoF) 07/16.

<b>Summary of internal audit reviews completed in 2021-2022</b>	
<b>Report</b>	<b>Status</b>
Review of Risk Management Framework (AC22a 21/22 15 Nov 21)	Satisfactory
COVID-19 Student Funding Initiatives (AC22b 21/22 15 Nov 21)	Satisfactory
Framework for compliance with legal and regulatory requirements (AC36a 21/22 15 Mar 22)	Satisfactory
Review of procurement and contract management (AC36ab21/22 15 Mar 22)	Satisfactory
Review of Strategic Planning and management Information Systems (AC36c 21/22 15 Mar 22)	Satisfactory
Review of maintenance and repairs (AC51a 21/22 14 Jun 22)	Satisfactory

In addition to governors, auditors and DfE representatives, senior officers, namely the Chief Executive, the Interim Director Development and Digital, the Head of Finance, the Director of People and Place and the Head of Strategic Planning were in attendance.

Following each ARAC meeting the Chairperson of the Committee gives an oral update on audit and risk matters to the full Governing Body as well as circulating the draft minutes of the meeting. The Governing Body also take assurance from the annual report provided by the ARAC, and the Chairs' committee also receives reports from the Chairperson of the ARAC Committee.

### **Resources Committee**

The Resources Committee inter alia supervises all matters relating to the finance and accounts of the College and the receipt of its income and the expenditure. It also supervises matters relating to Estates and IT. It is the duty of this Committee to present a report to each meeting of the Governing Body.

Information presented to the Resources Committee is drafted by the appropriate department and discussed by the Executive Team before being presented as formal papers to Resources.

The Resource Committee met four times during 2021-22, key issues discussed during the year were as follows:

- College Annual Accounts;
- Review of analysis on college income;
- Estates Update;
- IT Update;
- Financial Performance; and
- Budget Setting for the year ahead.

The Resources Committee presents a report to each meeting of the Governing Body.

### **Human Resources Committee**

This Committee is responsible for dealing with issues in relation to the recruitment, appointment, promotion and grading of all staff, other than senior staff.

The HR Committee met four times during 2021-22, key issues discussed during the year were as follows:

- Staffing issues;
- Sickness absence statistics;
- Grievance and Disciplinary matters;
- Restructuring proposals;
- Recruitment and retention of staff;
- HR planning priorities; and
- Appraisal process.

The HR Committee presents a report to each meeting of the Governing Body.

### **Curriculum, Quality and Engagement Committee**

This Committee is responsible for overseeing the curricular provision of the College, especially the nature, quality and performance of the provision and the extent to which it meets the needs of the community the College seeks to serve.

The CQE Committee met five times during 2021-22, key issues discussed during the year were as follows:

- College Development Plan;
- Whole College Self-Evaluation Report and Quality Improvement Plan;
- Delivery of Training and APPSNI;
- Student recruitment and retention;
- Curriculum KPI's ;
- ETI Reports;
- DfE Health Check; and
- Curriculum Plans.

The CQE Committee presents a report to each meeting of the Governing Body.

### Attendance at Governing Body

Attendance\* during the year at the Governing Body and the permanent committees was as follows:

Name	Governing Body	ARAC	CQE Committee	HR Committee	RES Committee
<b>F Bryan (Chair)</b>	9/9				
<b>C Burns MBE</b>	8/9		5/5	4/4	
<b>K Burns</b>	9/9		5/5		3/4
<b>K Collins</b>	8/9	4/4			
<b>N Brijpaul</b>	6/9		4/4		3/4
<b>S Dawson</b>	6/9		3/5		4/4
<b>J Leaden</b>	9/9		4/5		4/4
<b>W Gillies</b>	5/5				2/2
<b>Amy Carr</b>	1/6		0/4		1/3
<b>Tia Campbell</b>	1/1		1/1		
<b>J McCall</b>	9/9	4/4	1/1	4/4	
<b>J McGrillen</b>	0/5				0/2
<b>K O'Hare (Vice- Chair)</b>	9/9		4/5		4/4
<b>S Snodden</b>	8/9	4/4		4/4	
<b>B Wilson</b>	9/9		5/5	4/4	
<b>S McGoran</b>	3/4	1/2		1/2	
<b>L McAteer</b>	4/4		1/1	2/2	2/2
<b>S Dallas</b>	2/2				
<b>Y Murphy</b>	4/4		2/2		2/2
<b>L Warde Hunter</b>	9/9	4/4	4/5	4/4	4/4

\* Other attendees included Tier 2, 3 and 4 officers where significant items pertaining to their business area was discussed. All meetings were quorate.

### The College's Management Structure

The College's management structure is based on principles of good organisational design and College need. There is an established structure comprising Directorates which, during 2021-22, were led by the Director of Curriculum Innovation and Excellence, the Director of Corporate Services, the Director of Partnership and Sustainability, and the Director of People and Place, all reporting to the Principal and Chief Executive. This structure enables a compact Executive Leadership Team to exercise strategic and operational oversight on the College with clear lines of accountability.

### Internal Control Processes

As Accounting Officer of Belfast Metropolitan College, I have responsibility for maintaining a sound system of internal control that supports the College's aims and objectives, while safeguarding the public funds and College assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money Northern Ireland.

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify the risks to the achievement of College policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system of internal control has been in place for the year ended 31 July 2022 and up to the date of approval of the annual report and accords with DoF guidance. I have fully embedded the processes which the DfE has agreed should be established and confirmed their robustness.

I have implemented appropriate procedures to ensure that I have identified the College's objectives and risks and determined a control strategy for each of the significant risks. As a result, risk ownership is allocated to the appropriate staff and the College has set out its attitude to risk to the achievement of the College objectives. Staff are trained and equipped to manage risk in a way appropriate to their authorities and duties. I am not aware of any lapses of security during the year.

The College maintains a register for related party transactions in order to ensure opportunities for conflicts of interest are avoided. This register is maintained centrally and updated regularly and includes all members of the Governing Body and the Executive Team.

The College has appropriate Whistle Blowing and Fraud Policies in place which are reviewed and updated periodically. The College also participates in the biennial National Fraud Initiative (NFI) exercise.

The College receives periodic reports concerning internal control and steps are taken to manage risks in significant areas of responsibility and monitor progress on key projects. No priority one recommendations were made by audit during the year ended 31 July 2022 and all recommendations made were accepted and have been actioned or are in the process of being actioned.

### **Personal data related incidents**

Our Data Breach register shows that 16 actual or potential data breaches occurred within the College between 1 August 2021 and 31 July 2022, 13 were confirmed as data breaches, of which one was reported to the Information Commissioner's Office (ICO) as a precautionary measure until an investigation was undertaken – the investigation concluded that there was no breach of personal data. The ICO received one complaint from a data subject regarding the handling of a request for deletion. The ICO upheld the complaint advising that the College had not complied with their data protection obligations but that the final response from the College to the data subject was lawful. ICO recommendations are being progressed.

### **Risk Management**

The College has in place a comprehensive Corporate Risk Register and a series of operational risk registers, all of which are monitored and managed by Governing Body, Audit & Risk Assurance Committee and senior management on a quarterly basis. Our Corporate Risk Register records

details of all the risks that may prevent the College from achieving the aims and objectives set out in the Strategic Plan as well as:

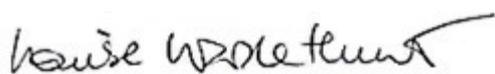
- A description of each risk and their causes and effects;
- An assessed risk score based upon the probability and impact of the risk (inherent risk);
- Name of the individual who has overall responsibility for managing a particular risk;
- Actions and controls that currently exist to mitigate risks;
- Direction of travel since previous quarter; and
- Current risk status (residual risk).

Whilst the Corporate Risk Register is updated at least quarterly it is entirely refreshed on an annual basis. The most recent refresh of our Corporate Risk Register and Corporate Risk Appetite was undertaken in November 2021 and another is planned for Q1 2022-23. As at 31 July 2022 risks which have been classified as of significant concern (i.e., residual risk remains high despite mitigation measures) are: -

- Failure to deliver a quality learner experience leading to drop in retention, achievement and success
- Failure to have in place a fit for purpose learner management, financial management, people management and management information system which impacts on effective planning and delivery
- College suffers major cyber incident (e.g. Ransomware)
- Failure to attract, recruit and retain suitably qualified staff.

RSM Auditors undertook an audit of the risk management function in 2021 and found that the College had a satisfactory system of governance, risk management and control.

It is my view as the Accounting Officer 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. The review of the effectiveness of the system of internal control is also informed by the work of the senior officers within 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 RTTCWG. As a result of my overall review of the effectiveness of the system of internal control, including risk management, I am content that no significant weaknesses have been identified. This has been confirmed by the Internal Auditors in their Annual Statement of Assurance.



Louise Warde Hunter

30 November 2022

Accounting Officer



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**Financial  
Statements**

**BELFAST METROPOLITAN COLLEGE****THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL  
TO THE NORTHERN IRELAND ASSEMBLY****Opinion on financial statements**

I certify that I have audited the financial statements of the Belfast Metropolitan College and its group for the year ended 31 July 2022 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: Group and Parent Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom accounting standards including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of Belfast Metropolitan College's affairs as at 31 July 2022 and of its deficit the year then ended;
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

**Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

**Basis for opinions**

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of Belfast Metropolitan College in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

**Conclusions relating to going concern**

In auditing the financial statements, I have concluded that Belfast Metropolitan College's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Belfast Metropolitan

College's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer and Governing Body with respect to going concern are described in the relevant sections of this report.

### **Other Information**

The other information comprises the information included in the annual report other than the financial statements, the parts of the Remuneration Report described in that report as having been audited and my audit certificate and report thereon. The Accounting Officer and Governing Body are responsible for the other information reported in the annual report. My opinion on financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### **Opinion on other matters**

In the light of the knowledge and understanding of Belfast Metropolitan College and its environment obtained in the course of the audit, I have not identified material misstatements in not identified material misstatements in the Strategic Report, Remuneration Report, Statement of the Responsibilities of the Accounting Officer and the Governing Body and Statement of Corporate Governance and Internal Control.

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

- the parts of the Remuneration Report to be audited have been properly prepared in accordance with Department for the Economy directions made under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- the information given in the Strategic Report and the Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the parts of the Remuneration Report to be audited are not in agreement with the accounting records; or
- certain disclosures of remuneration specified by the Government Financial Report Manual are not made; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement of Corporate Governance and Internal Control does not reflect compliance with the Department of Finance's guidance.

## Responsibilities of the Accounting Officer and Governing Body

As explained more fully in the Statement of Responsibilities of the Accounting Officer and Governing Body, the Accounting Officer and Governing Body are responsible for

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- such internal controls as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- assessing Belfast Metropolitan 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 Accounting Officer anticipates that the services provided by Belfast Metropolitan College will not continue to be provided in the future.

## Auditor's responsibilities for the audit of the financial statements

My objectives are to examine, certify and report on the financial statements in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my 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 financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to Belfast Metropolitan College through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Further Education (Northern Ireland) Order 1997 as amended by the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008;
- making enquires of management and those charged with governance on Belfast Metropolitan College's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Belfast Metropolitan College's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition and posting of unusual journals;

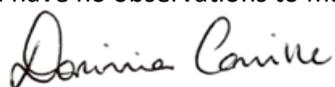
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- communicating with component auditors to request identification of any instances of non-compliance with laws and regulations that could give rise to a material misstatement of the group financial statements;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- addressing the risk of fraud as a result of management override of controls by:
  - performing analytical procedures to identify unusual or unexpected relationships or movements;
  - testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
  - assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
  - investigating significant or unusual transactions made outside of the normal course of business.
- applying tailored risk factors to datasets of financial transactions and related records to identify potential anomalies and irregularities for detailed audit testing.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Report

I have no observations to make on these financial statements.



*Dorinnia Carville*  
 Comptroller and Auditor General  
 Northern Ireland Audit Office  
 106 University Street  
 BELFAST  
 BT7 1EU  
 30 November 2022

**BELFAST METROPOLITAN  
COLLEGE**  
CONSOLIDATED STATEMENT OF COMPREHENSIVE  
INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 Group £'000	2022 College £'000	2021 Restated Group £'000	2021 Restated College £'000
<b>INCOME</b>					
Department for the Economy income	1	57,893	57,893	54,638	54,638
Education contracts	2	611	611	524	524
Tuition fees and charges	3	8,083	8,083	7,818	7,818
Other grant income	4	1,761	1,761	2,862	2,862
Other operating income	5	1,121	794	987	665
Investment income	6	0	0	0	0
<b>Total income</b>		<b>69,469</b>	<b>69,142</b>	<b>66,829</b>	<b>66,507</b>
<b>EXPENDITURE</b>					
Staff costs	7	46,510	46,384	45,417	45,319
Other operating expenses	9	26,591	26,363	24,343	24,100
Depreciation	12				
	&13	4,851	4,830	4,459	4,429
Interest and other finance costs	10	646	646	601	601
Holiday pay provision	26	0	0	0	0
<b>Total expenditure</b>		<b>78,598</b>	<b>78,223</b>	<b>74,820</b>	<b>74,449</b>
<b>Surplus/(deficit) before other gains/losses</b>		<b>(9,129)</b>	<b>(9,081)</b>	<b>(7,991)</b>	<b>(7,942)</b>
Gain/(loss) on disposal of assets		0	0	0	0
(Loss)/gain on investments		0	0	0	0
<b>Surplus/(deficit) before tax</b>		<b>(9,129)</b>	<b>(9,081)</b>	<b>(7,991)</b>	<b>(7,942)</b>
Taxation		0	0	0	0
<b>Surplus/(deficit) for the year</b>		<b>(9,129)</b>	<b>(9,081)</b>	<b>(7,991)</b>	<b>(7,942)</b>
<b>Other Comprehensive Income</b>					
Unrealised surplus on revaluation of land and buildings		9,321	9,321	921	921
Actuarial (loss)/gain in respect of pension scheme		29,635	29,635	14,142	14,142
Change in fair value of endowments		0	0	0	0
<b>Total comprehensive income for the year</b>		<b>29,827</b>	<b>29,875</b>	<b>7,072</b>	<b>7,121</b>
Represented by:					
Endowment comprehensive income for the year		0	0	0	0
Restricted comprehensive income for the year		0	0	0	0
Unrestricted comprehensive income for the year		29,827	29,875	7,072	7,121

All amounts above relate to the continuing operations of the college.

*The accompanying accounting policies and notes form an integral part of these financial statements.*

**BELFAST METROPOLITAN COLLEGE**  
**CONSOLIDATED STATEMENT OF CHANGES IN**  
**RESERVES**  
**FOR THE YEAR ENDED 31 JULY 2022**

GROUP	Income and expenditure account			Revaluation reserve Restated	Total excluding Non- Controlling Interest	Non- controlling interest	Total
	Endowment	Restricted	Unrestricted				
	£'000	£'000	£'000				
<b>Balance at 1 August 2020 restated</b>	175	0	(48,437)	76,207	0	0	27,945
Surplus/(deficit) from income and expenditure statement	0	0	(7,991)	0	0	0	(7,991)
Other comprehensive income	0	0	14,142	921	0	0	15,063
Transfers between revaluation and income and expenditure	0	0	0	0	0	0	0
Transfer due to endowment asset investment	2	0	(2)	0	0	0	0
<b>Balance at 1 August 2021 restated</b>	<b>177</b>	<b>0</b>	<b>(42,288)</b>	<b>77,128</b>	<b>0</b>	<b>0</b>	<b>35,017</b>
Surplus/(deficit) from income and expenditure statement	0	0	(9,129)	0	0	0	(9,129)
Other comprehensive income	0	0	29,635	9,321	0	0	38,956
Transfers between revaluation and income and expenditure	0	0	0	0	0	0	0
Transfer due to endowment asset investment	(26)	0	26	0	0	0	0
<b>Total comprehensive income for the year</b>	<b>(26)</b>	<b>0</b>	<b>20,532</b>	<b>9,321</b>	<b>0</b>	<b>0</b>	<b>29,827</b>
<b>Balance at 31 July 2022</b>	<b>151</b>	<b>0</b>	<b>(21,756)</b>	<b>86,449</b>	<b>0</b>	<b>0</b>	<b>64,844</b>

**BELFAST METROPOLITAN COLLEGE**  
**COLLEGE STATEMENT OF CHANGES IN RESERVES**  
**FOR THE YEAR ENDED 31 JULY 2022**

2021-22

COLLEGE	Income and expenditure account			Revaluation reserve Restated	Total excluding Non- Controlling Interest	Non- controlling interest	Total
	Endowment	Restricted	Unrestricted				
	£'000	£'000	£'000				
<b>Balance at 1 August 2020 restated</b>	0	0	(49,000)	74,718	0	0	25,718
Surplus/(deficit) from income and expenditure statement	0	0	(7,942)	0	0	0	(7,942)
Other comprehensive income	0	0	14,142	921	0	0	15,063
Transfers between revaluation and income and expenditure account	0	0	0	0	0	0	0
Release of restricted funds spent in year	0	0	0	0	0	0	0
<b>Balance at 1 August 2021 restated</b>	<b>0</b>	<b>0</b>	<b>(42,800)</b>	<b>75,639</b>	<b>0</b>	<b>0</b>	<b>32,839</b>
Surplus/(deficit) from income and expenditure statement	0	0	(9,081)	0	0	0	(9,081)
Other comprehensive income	0	0	29,635	9,321	0	0	38,956
Transfers between revaluation and income and expenditure account	0	0	0	0	0	0	0
Release of restricted funds spent in year	0	0	0	0	0	0	0
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>20,554</b>	<b>9,321</b>	<b>0</b>	<b>0</b>	<b>29,875</b>
<b>Balance at 31 July 2022</b>	<b>0</b>	<b>0</b>	<b>(22,246)</b>	<b>84,960</b>	<b>0</b>	<b>0</b>	<b>62,714</b>

**BELFAST METROPOLITAN COLLEGE**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2022**

	Notes	Group 2022 £'000	College 2022 £'000	Group 2021 Restated £'000	College 2021 Restated £'000	Group Restated 1 Aug 2020 £'000	College Restated 1 Aug 2020 £'000
<b>Non-Current Assets</b>							
Property, Plant and Equipment	12	139,362	136,907	131,217	128,781	131,832	129,377
Intangible assets	13	328	328	405	405	407	407
Endowment assets	20	151	0	177	0	175	0
		<b>139,841</b>	<b>137,235</b>	<b>131,799</b>	<b>129,186</b>	<b>132,414</b>	<b>129,784</b>
<b>Current assets</b>							
Trade and other receivables	17	4,308	4,403	4,573	4,613	3,524	3,533
Cash and cash equivalents	21	6,776	6,770	7,400	7,396	5,666	5,664
<b>Total current assets</b>		<b>11,084</b>	<b>11,173</b>	<b>11,973</b>	<b>12,009</b>	<b>9,190</b>	<b>9,197</b>
Less: Creditors – amounts falling due within one year	18	24,256	24,240	20,125	20,105	15,543	15,526
<b>Net current (liabilities)/ assets</b>		<b>(13,172)</b>	<b>(13,067)</b>	<b>(8,152)</b>	<b>(8,096)</b>	<b>(6,353)</b>	<b>(6,329)</b>
<b>Total assets less current liabilities</b>		<b>126,669</b>	<b>124,168</b>	<b>123,647</b>	<b>121,090</b>	<b>126,061</b>	<b>123,455</b>
Less: Creditors – amounts falling due after more than one year	19	49,929	49,558	52,886	52,507	53,627	53,248
<b>Provisions:</b>							
Pension provisions	22	11,585	11,585	35,433	35,433	44,090	44,090
Other provisions	26	311	311	311	311	399	399
<b>Net assets including pension liability</b>		<b>64,844</b>	<b>62,714</b>	<b>35,017</b>	<b>32,839</b>	<b>27,945</b>	<b>25,718</b>
<b>Restricted Reserves</b>							
Income and expenditure account – restricted reserve		0	0	0	0	0	0
<b>Unrestricted Reserves</b>							
Income and expenditure – unrestricted reserves		(21,756)	(22,246)	(42,288)	(42,800)	(48,437)	(49,000)
Endowment reserves	20	151	0	177	0	175	0
Revaluation reserve		86,449	84,960	77,128	75,639	76,207	74,718
<b>Total reserves</b>		<b>64,844</b>	<b>62,714</b>	<b>35,017</b>	<b>32,839</b>	<b>27,945</b>	<b>25,718</b>
<b>Total</b>		<b>64,844</b>	<b>62,714</b>	<b>35,017</b>	<b>32,839</b>	<b>27,945</b>	<b>25,718</b>

The financial statements on pages 45 to 80 were approved by the Governing Body of Belfast Metropolitan College on 30 November and were signed on its behalf on that date by:



**Frank Bryan**  
Chair of governing body  
Belfast Metropolitan College



**Louise Warde Hunter**  
Accounting Officer  
Belfast Metropolitan College

***The accompanying accounting policies and notes form an integral part of these financial statements.***

**BELFAST METROPOLITAN COLLEGE  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 JULY 2022**

	Notes	2022 £'000	2021 £'000
<b>Cash inflow/(outflow) from operating activities</b>			
Deficit for the year		(9,129)	(7,991)
<b>Adjustment for non-cash items</b>			
Depreciation	12 & 13	4,851	4,459
Deferred capital grant released to income	1	(2,155)	(1,736)
Decrease/(increase) in receivables	17	265	(1,049)
Increase/(decrease) in creditors	18 & 19	2,300	5,515
Increase/(decrease) in pension provision	22	5,787	5,485
Increase/(decrease) in other provisions		0	(88)
Adjustment for investing or financing activities		0	0
Investment income		0	0
Profit on sale of property, plant and equipment		0	0
<b>Net cash inflow from operating activities</b>		<b>1,919</b>	<b>4,595</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of property, plant and equipment		0	0
Proceeds from sales of intangible assets		0	0
Deferred capital grants received		1,800	2,102
Investment income	6		
Payments made to acquire property, plant and equipment		(2,117)	(2,359)
Payments made to acquire intangible assets		0	0
New non-current asset investments		0	0
Movement in endowment reserve	20	26	(2)
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(291)</b>	<b>(259)</b>
<b>Cash inflows from financing activities</b>			
Capital and interest elements of PFI lease rental payments		(2,252)	(2,602)
Interest paid		0	0
<b>Net cash (outflow) from financing activities</b>		<b>(2,252)</b>	<b>(2,602)</b>
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>			
		<b>(624)</b>	<b>1,734</b>
Net funds at 1 August		7,400	5,666
<b>Net funds at 31 July</b>		<b>6,776</b>	<b>7,400</b>

In this statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the College.

***The accompanying accounting policies and notes form an integral part of these financial statements.***

**BELFAST METROPOLITAN COLLEGE**  
**STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION**  
**TECHNIQUES**  
**FOR THE YEAR ENDED 31 JULY 2022**

**Statement of Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

**Basis of preparation**

These financial statements have been prepared on the going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS 102). The college [and group] is a public benefit entity and has therefore applied the relevant public benefit entity requirements of FRS 102.

The financial statements are prepared in accordance with the historical cost convention except that certain freehold properties are shown at their revalued amounts.

They also conform to the Accounts Direction issued by the Department for the Economy (DfE).

**Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain property, plant and equipment and in accordance with applicable United Kingdom accounting standards.

**Going concern**

The activities of the college, together with factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the college, its cashflow, liquidity and borrowings are described in the financial statements and accompanying Notes.

The College is satisfied that the organisation is a going concern on the basis that there is no reason to believe that the Department's future sponsorship and future assembly approval will not be forthcoming to meet the College's liabilities as they fall due. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

**Basis of consolidation**

The consolidated financial statements include the college and its subsidiaries, Springvale Educational Village Limited (SEV Ltd) and Belfast Metropolitan College Trust. Intra-group balances are eliminated on consolidation. All financial statements are made up to 31 July 2022.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

### Recognition of Income

#### Government Grants [accruals model]

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

#### Tuition Fees

Income from tuition fees is recognised in the period for which it is received and includes all fees payable by students or their sponsors.

#### Non-government Grants

Income from non- government grants, controls and other services rendered is included to the extent that the conditions of the funding have been met, or the extent of the completion of the contract or service concerned.

#### Interest

All income from short-term deposits is credited to the income and expenditure account in the year in which it is earned.

#### Capital Grants (non land grants) [accruals model]

Non-recurrent grants from DfE and other government bodies received in respect of the acquisition of property, plant and equipment are recognised in income over the expected useful life of the asset.

#### Other Capital Grants

Other capital grants are recognised on income when the College is entitled to the funds subject to any performance related conditions being met.

#### Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the College is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the College is entitled to the funds.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

### Pension scheme

The two principal pension schemes for the college's staff are the Northern Ireland Teacher's Pension Scheme (NITPS) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) defined benefit schemes.

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

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

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

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

To comply with auto enrolment legislation, Belfast Met has also joined the National Employment Savings Trust (NEST). Contributions by the College are made on a defined contribution basis.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

### Property, Plant and Equipment

- **Land and buildings**

Land and buildings are stated in the Statement of Financial Position at valuation on the basis of depreciated replacement cost (including irrecoverable VAT), as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the Statement of Financial Position at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the college of 50 years. Where land and buildings are acquired with the aid of specific grants, these are accounted for in accordance with the revenue recognition policies above. Valuations are obtained on a regular basis, with a full professional valuation being undertaken by Land and Property Services (LPS) every five years, with revaluation using indices provided by LPS in intervening years and an interim valuation being carried out after 3 years. Revaluation is based on indices provided by LPS as at 31 July 2022.

- **Assets under construction**

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July 2022. They are not depreciated until they are brought into use.

- **Assets other than land and buildings**

Assets other than land and buildings costing less than £3,000 per individual item are written off to the income and expenditure account in the period of acquisition. All other assets are capitalised at cost.

These assets are depreciated over their useful economic lives as follows:

Computers	- three years straight line
Motor vehicles	- four years straight line
Plant and equipment	- five years straight line
Fixtures and Fittings	- five years straight line

### Private Finance Initiative

Where it is concluded that the college has an asset of the property and therefore a liability to pay for it, these are recorded on the Statement of Financial Position. The initial amount recorded for each is the fair value of the property or if lower, the present value of the minimum lease payments determined at the inception of the lease. Subsequently, the asset is depreciated over its useful economic life.

Payments are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

The college recognises the property when it comes into use, unless it bears significant construction risk, in this case the property is recognised as it is constructed.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES (continued)

### Leased Assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Leasing agreements which transfer to the college substantially ownership of an asset are treated as if the asset had been purchased outright and are capitalised at their fair value at the inception of the lease and depreciated over the shorter of the lease term or the useful economic lives of equivalently owned assets. The capital element outstanding is shown as obligations under finance leases. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

### Intangible Assets

Intangible assets, greater than £3,000 per individual item, are capitalised at cost. Software integral to an item of hardware is dealt with as property, plant and equipment.

### Foreign currency translation

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

### Taxation

As an exempt charity the college benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents.

The college is exempted from levying VAT on most of the services it provides to students. For this reason, the college is partially exempt in respect of VAT, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of property, plant and equipment as appropriate, where the inputs themselves are property, plant and equipment by nature.

### Liquid resources

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

### Provisions

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

### Agency arrangements

The college acts as an agent in the collection and payment of Support Funds and Care to Learn payments. Related payments received from DfE and subsequent disbursements to students are excluded from the Consolidated Statement of Comprehensive Income and Expenditure and are shown separately in Note 28.

## NOTES TO THE FINANCIAL STATEMENTS

## 1. DEPARTMENT FOR THE ECONOMY INCOME

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Grant In Aid Received from DfE</b>				
Recurrent grant	41,882	41,882	40,320	40,320
Release of deferred capital grants	2,155	2,155	1,736	1,736
Additional Support funds	656	656	589	589
Students with Learning Difficulties and/or Disabilities (SLDD)	508	508	481	481
Innovation Fund	303	303	279	279
Private Finance Initiative (PFI)/ Public Private Partnership (PPP)	6,641	6,641	6,610	6,610
Skills Focus	0	0	0	0
Other	1,689	1,689	1,312	1,312
Grant In Aid Items	<u>53,834</u>	<u>53,834</u>	<u>51,327</u>	<u>51,327</u>
<b>Non-Grant in Aid received from DfE</b>				
Education Maintenance Allowance administration	17	17	18	18
Assured Skills	1,061	1,061	907	907
Youth Training	1,073	1,073	1,180	1,180
Higher Level Apprenticeships	693	693	574	574
Level 3 Apprenticeships	1,215	1,215	632	632
Other	0	0	0	0
Non-grant in aid items	<u>4,059</u>	<u>4,059</u>	<u>3,311</u>	<u>3,311</u>
<b>Total DfE income</b>	<u>57,893</u>	<u>57,893</u>	<u>54,638</u>	<u>54,638</u>

The college is the lead partner in a consortium to deliver Innovation fund in Northern Ireland. The income shown above includes that earned by the college in its capacity both as provider and as the consortium lead. All other income claimed from the Innovation fund in Northern Ireland and payable to consortium partners has been excluded from these accounts. Total income claimed in the year under this arrangement was as follows:

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Innovation Fund	<u>303</u>	<u>279</u>
<b>Net income</b>	<u><b>303</b></u>	<u><b>279</b></u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****2. EDUCATION CONTRACTS**

	<b>2022 Group £'000</b>	<b>2022 College £'000</b>	<b>2021 Group £'000</b>	<b>2021 College £'000</b>
Entitlement Framework	168	168	152	152
Training for Success	443	443	372	372
<b>Total</b>	<b>611</b>	<b>611</b>	<b>524</b>	<b>524</b>

**3. TUITION FEES AND CHARGES**

	<b>2022 Group £'000</b>	<b>2022 College £'000</b>	<b>2021 Group £'000</b>	<b>2021 College £'000</b>
Higher Education (HE) income	3,305	3,305	3,851	3,851
Home and other European Union	4,771	4,771	3,958	3,958
Non-European Union	7	7	9	9
<b>Total</b>	<b>8,083</b>	<b>8,083</b>	<b>7,818</b>	<b>7,818</b>

**Tuition fees funded by bursaries**

Included within the above amounts are amounts which fund bursaries of £37,573 (2021: £35,374).

**4. OTHER GRANT INCOME**

	<b>2022 Group £'000</b>	<b>2022 College £'000</b>	<b>2021 Group £'000</b>	<b>2021 College £'000</b>
European funds	1,602	1,602	2,647	2,647
Other funds	159	159	215	215
<b>Total</b>	<b>1,761</b>	<b>1,761</b>	<b>2,862</b>	<b>2,862</b>

**5. OTHER OPERATING INCOME**

	<b>2022 Group £'000</b>	<b>2022 College £'000</b>	<b>2021 Group £'000</b>	<b>2021 College £'000</b>
Catering and residence operations	45	45	8	8
Other income generating activities	522	522	494	494
Other income	554	227	485	163
<b>Total</b>	<b>1,121</b>	<b>794</b>	<b>987</b>	<b>665</b>

**6. INVESTMENT INCOME**

	<b>2022 Group £'000</b>	<b>2022 College £'000</b>	<b>2021 Group £'000</b>	<b>2021 College £'000</b>
Other investment income	0	0	0	0
Other interest receivable	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 7. STAFF COSTS

All staff are employed by the College and where applicable costs are recharged to the subsidiary companies. The average number of persons (including senior post-holders) employed by the college during the year, expressed as full-time equivalents was:

	<b>2022 Group No.</b>	<b>2022 College No.</b>	<b>2021 Group No.</b>	<b>2021 College No.</b>
Governing body	0	0	0	0
Teaching	389	389	386	386
Support	156	156	155	155
Administration	255	255	257	257
Premises	40	40	38	38
<b>Total</b>	<b>840</b>	<b>840</b>	<b>836</b>	<b>836</b>

**Staff costs for the above persons**

	<b>2022 Group £'000</b>	<b>2022 College £'000</b>	<b>2021 Group £'000</b>	<b>2021 College £'000</b>
Governing body	73	73	53	53
Teaching	20,592	20,592	20,125	20,125
Support	6,243	6,243	5,880	5,880
Administration	12,887	12,761	12,906	12,808
FRS 102 adjustment (see note 22)	5,141	5,141	4,884	4,884
Premises	1,574	1,574	1,569	1,569
<b>Total</b>	<b>46,510</b>	<b>46,384</b>	<b>45,417</b>	<b>45,319</b>
Wages and salaries	31,925	31,799	31,658	31,560
Social security costs	2,962	2,962	2,715	2,715
Movement in pension	0	0	0	0
Other pension costs	11,623	11,623	11,044	11,044
<b>Total</b>	<b>46,510</b>	<b>46,384</b>	<b>45,417</b>	<b>45,319</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

The number of senior post-holders and other staff who received emoluments, including pension contributions and benefits in kind, in the following ranges was:

	Senior post-holders		Other staff	
	2022 No.	2021 No.	2022 No.	2021 No.
£60,001 to £70,000	0	0	52	22
£70,001 to £80,000	0	0	11	19
£80,001 to £90,000	0	0	13	1
£90,001 to £100,000	1	0	1	0
£100,001 to £110,000	1	1	0	0
£110,001 to £120,000	1	3	0	0
£120,001 to £130,000	0	0	0	0
£130,001 to £140,000	0	0	0	0
£140,001 to £150,000	1	0	0	0
£150,001 to £160,000	0	1	0	0
	<u>4</u>	<u>5</u>	<u>77</u>	<u>42</u>

**8. KEY MANAGEMENT PERSONNEL**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by the college Governing Body and Executive Team which comprises the Principal/Director/Chief Executive and Deputy Directors.

	2022 No.	2021 No.
The number of senior post-holders including the Principal was:	<u>4</u>	<u>5</u>

Senior post-holders' emoluments are made up as follows:

	2022 £'000	2021 £'000
Salaries	388	483
Pension contributions	<u>80</u>	<u>114</u>
<b>Total emoluments</b>	<u><b>468</b></u>	<u><b>597</b></u>

The above emoluments include amounts payable to the Principal (who is also the highest paid senior post-holder) of:

	2022 £'000	2021 £'000
Salaries	125	122
Pension contributions	<u>23</u>	<u>29</u>
<b>Total</b>	<u><b>148</b></u>	<u><b>151</b></u>

The pension contributions in respect of the Principal and senior post-holders are in respect of employer's contributions to the Teachers' Pension Scheme and the Northern Ireland Local Government Officers' Superannuation Scheme are paid at the same rate as for other employees.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 9. OTHER OPERATING EXPENSES

	2022 Group £'000	2022 College £'000	2021 Group £'000	2021 College £'000
Direct Teaching	1,062	1,062	847	847
Direct Support	3,844	3,844	4,293	4,293
Administration	5,649	5,421	5,097	4,854
Professional Fees	422	422	185	185
Premises	6,812	6,812	5,725	5,725
Unitary payments under PFI contract	6,041	6,041	5,330	5,330
Interest element of finance lease	2,761	2,761	2,866	2,866
<b>Total</b>	<b>26,591</b>	<b>26,363</b>	<b>24,343</b>	<b>24,100</b>

**Other operating expenses for the group include:**

	2022 £'000	2021 £'000
Auditors' remuneration:		
Financial statements audit (includes £31,000 in respect of the college – 2020-21 £27,500)	38	34
Internal audit (includes £27,058 in respect of the college – 2020-21 £24,625)	27	25
Hire of plant and machinery – operating leases	232	212

## 10. INTEREST AND OTHER FINANCE COSTS

	2022 Group £'000	2022 College £'000	2021 Group £'000	2021 College £'000
On bank loans, overdrafts and other loans	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
On finance leases	0	0	0	0
Net charge on pension scheme	646	646	601	601
<b>Total</b>	<b>646</b>	<b>646</b>	<b>601</b>	<b>601</b>

## 11. TAXATION

The members do not believe the college was liable for any corporation tax arising out of its activities during this period. SEV Ltd had a liability of £nil in 2021-22.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. PROPERTY, PLANT AND EQUIPMENT

## Group

	Freehold land & buildings £'000	PFI £'000	Plant & equipm't £'000	Computers £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>							
At 1 August 2021 restated	36,684	94,405	7,773	5,117	294	268	144,541
Additions	0	1,441	1,302	501	314	0	3,558
Impairment	0	0	0	0	0	0	0
Surplus/(deficit) on revaluation	1,723	941	0	0	0	0	2,664
Disposals	0	0	0	0	0	0	0
<b>At 31 July 2022</b>	<b>38,407</b>	<b>96,787</b>	<b>9,075</b>	<b>5,618</b>	<b>608</b>	<b>268</b>	<b>150,763</b>
<b>Depreciation</b>							
At 1 August 2021	809	2,472	5,014	4,577	210	242	13,324
Charge for the year	829	2,587	942	372	35	9	4,774
Revaluation	(1,598)	(5,059)	0	0	0	0	(6,657)
Impairment	(40)	0	0	0	0	0	(40)
Elimination in respect of disposals	0	0	0	0	0	0	0
<b>At 31 July 2022</b>	<b>0</b>	<b>0</b>	<b>5,956</b>	<b>4,949</b>	<b>245</b>	<b>251</b>	<b>11,401</b>
<b>Net book value at 31 July 2022</b>	<b>38,407</b>	<b>96,787</b>	<b>3,119</b>	<b>669</b>	<b>363</b>	<b>17</b>	<b>139,362</b>
Net book value at 31 July 2021 restated	35,875	91,933	2,759	540	84	26	131,217

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 12. PROPERTY, PLANT AND EQUIPMENT

College	Freehold land & buildings £'000	PFI £'000	Plant & equipm't £'000	Computers £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>							
At 1 August 2021 restated	34,229	94,406	7,625	5,117	294	268	141,939
Additions	0	1,441	1,302	501	314	0	3,558
Surplus/(deficit) on revaluation	1,723	941	0	0	0	0	2,664
Disposals	0	0	0	0	0	0	0
<b>At 31 July 2022</b>	<b>35,952</b>	<b>96,788</b>	<b>8,927</b>	<b>5,618</b>	<b>608</b>	<b>268</b>	<b>148,161</b>
<b>Depreciation</b>							
At 1 August 2021	789	2,473	4,867	4,577	210	242	13,158
Charge for the year	809	2,586	942	372	35	9	4,753
Revaluation	(1,598)	(5,059)	0	0	0	0	(6,657)
Impairment	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	0	0
<b>At 31 July 2022</b>	<b>0</b>	<b>0</b>	<b>5,809</b>	<b>4,949</b>	<b>245</b>	<b>251</b>	<b>11,254</b>
<b>Net book value at 31 July 2022</b>	<b>35,952</b>	<b>96,788</b>	<b>3,118</b>	<b>669</b>	<b>363</b>	<b>17</b>	<b>136,907</b>
Net book value at 31 July 2021 restated	33,440	91,933	2,758	540	84	26	128,781

Land and buildings were subject to a full revaluation at 31 July 2022 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service (LPS).

**NOTES TO THE FINANCIAL STATEMENTS (continued)****12. PROPERTY, PLANT AND EQUIPMENT**

If property, plant and equipment had not been revalued before being deemed as cost on transition they would have been included at the following historical cost amounts:

	<b>£'000</b>
Cost	0
Aggregate depreciation based on cost	<u>0</u>
<b>Net book value based on cost</b>	<b><u>0</u></b>

The net book value of property, plant and equipment includes an amount of £96,788k (2021: £91,933k restated) in respect of assets held under finance leases.

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
The depreciation charge for the year is analysed as follows:		
Owned assets	2,187	1,967
Assets held under finance leases and hire purchase arrangements	2,587	2,473

**13. INTANGIBLE FIXED ASSETS****Group and College**

	Intangible Asset £'000	TOTAL £'000
<b>Cost or valuation</b>		
At 1 August 2021	424	424
Additions	0	0
Disposals	<u>0</u>	<u>0</u>
<b>At 31 July 2022</b>	<b><u>424</u></b>	<b><u>424</u></b>
<b>Depreciation</b>		
At 1 August 2021	19	19
Charge for the year	77	77
Elimination in respect of disposals	<u>0</u>	<u>0</u>
<b>At 31 July 2022</b>	<b><u>96</u></b>	<b><u>96</u></b>
<b>Net book value at 31 July 2022</b>	<b><u>328</u></b>	<b><u>328</u></b>
<b>Net book value at 31 July 2021</b>	<b><u>405</u></b>	<b><u>405</u></b>

The intangible asset is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland. The asset is a Learner Management System that will be operated centrally for the sector. The intangible asset is funded in full through a capital grant from the Department for the Economy. The total cost for the joint asset for the sector was £2.5m and amortisation began in May 2021.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****14. SERVICE CONCESSION ARRANGEMENTS**

The College has two on Statement of Financial Position arrangements where service delivery has commenced, Millfield and Titanic Quarter.

**Movement in service concession arrangement assets**

The asset value of the service concession included in the Statement of Financial Position as at 31 July 2022 is £96,787k (2021: £91,933k restated). The increase of £4,854k is due to depreciation being less than additions and revaluation.

**Movement in service concession liabilities**

The total liabilities relating to the service concession included in the Statement of Financial Position as at 31 July 2022 were £27,759k (2021: £28,570k). The sum of £811k was repaid during the year.

**Future Commitments**

The following table analyses the College's future commitments in relation to service concession arrangements.

	<b>Payable in 1 year</b>	<b>Payable 2-5 years</b>	<b>Payable &gt;5 years</b>	<b>Total</b>
Liability repayments	2,100	11,456	14,203	27,759
Finance charge	2,609	8,334	7,595	18,538
	<b>4,709</b>	<b>19,790</b>	<b>21,798</b>	<b>46,297</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****15. NON CURRENT INVESTMENTS**

Springvale Education Village Ltd and Belfast Metropolitan College Trust are companies registered by guarantee without share capital.

**16. INVESTMENTS IN ASSOCIATES**

The college does not have any investments in associates.

**17. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Amounts falling due within one year:				
Trade receivables	1,214	1,174	1,019	993
Amounts owed by group undertakings:				
Subsidiary undertakings	0	153	0	107
Advance payments in respect of PFI contracts	517	517	620	620
Amounts due from Department	405	405	309	309
Prepayments and accrued income	<u>2,172</u>	<u>2,154</u>	<u>2,625</u>	<u>2,584</u>
<b>Total receivables</b>	<b><u>4,308</u></b>	<b><u>4,403</u></b>	<b><u>4,573</u></b>	<b><u>4,613</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 18. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Service concession arrangements	2,100	2,100	811	811
Payments received in advance	12,241	12,239	9,244	9,241
Trade payables	134	133	39	37
Amounts owed to group undertakings:				
Subsidiary undertakings	0	0	0	0
Taxation and social security	1,524	1,527	1,503	1,505
Accruals and deferred income	8,021	8,005	7,889	7,872
Other payables	5	5	5	5
Amounts owed to the Department	231	231	634	634
<b>Total</b>	<b><u>24,256</u></b>	<b><u>24,240</u></b>	<b><u>20,125</u></b>	<b><u>20,105</u></b>

In April 2009 the College signed a PPP contract with Ivywood College Ltd (ICL) to design, build and maintain, for 25 years, a new College Building on the Titanic Quarter site. Capital repayments are made over a 25-year period and are funded by DfE.

At the same time the College entered into the PFI agreement for the Titanic Quarter campus with ICL, the College also entered into a further agreement with a company connected to ICL, Ivywood Car Parks Limited. Under this agreement Ivywood Car Parks Limited constructed at its own cost (£5.3m), a sub-basement car park underneath the TQ campus which it is entitled to operate as a car park for 40 years, after which it reverts to the College. The College is entitled to income of £10k per annum indexed at 5% per annum in respect of this arrangement. The income is recognised on a straight-line basis over the 40-year period.

**Deferred income**

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	<b>Group</b>	<b>College</b>	<b>Group</b>	<b>College</b>
	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Donations	0	0	0	0
Grant income	2,286	2,277	1,744	1,734
Other income	0	0	0	0
	<b><u>2,286</u></b>	<b><u>2,277</u></b>	<b><u>1,744</u></b>	<b><u>1,734</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2022 £'000	College 2022 £'000	Group 2021 £'000	College 2021 £'000
Deferred income	24,270	23,899	25,127	24,748
Service concession liabilities due after one year	<u>25,659</u>	<u>25,659</u>	<u>27,759</u>	<u>27,759</u>
<b>Total creditors after one year</b>	<b><u>49,929</u></b>	<b><u>49,558</u></b>	<b><u>52,886</u></b>	<b><u>52,507</u></b>

## 20. ENDOWMENT RESERVES

	Restricted permanent £'000	Unrestricted permanent £'000	Expendable endowments £'000	2022 Total £'000	2021 Total £'000
At 1 August	0	177	0	177	175
Capital					
Accumulated income	<u>0</u>	<u>177</u>	<u>0</u>	<u>177</u>	<u>175</u>
New endowments	0	0	0	0	0
Income for year	0	8	0	8	13
Expenditure for year	0	(29)	0	(29)	(36)
(Decrease)/increase in market value of investments	0	(5)	0	(5)	25
<b>At 31 July</b>	<b><u>0</u></b>	<b><u>151</u></b>	<b><u>0</u></b>	<b><u>151</u></b>	<b><u>177</u></b>

## 21. CASH AND CASH EQUIVALENTS

	As 1 August 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Cash and Cash equivalents at 31 July	<u>7,400</u>	<u>(624)</u>	<u>6,776</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****22. PENSIONS AND SIMILAR OBLIGATIONS**

The college's employees belong to two principal pension schemes: the Northern Ireland Teachers' Pension Scheme (NITPS) for academic and related staff; and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) scheme for non-teaching staff. Both are defined-benefit schemes.

**Total pension cost for the year**

	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
NITPS: contributions paid	3,999	3,700
NILGOSC: contributions paid	2,457	2,435
NILGOSC: FRS 102 (28) adjustments	5,141	4,884
NEST: contributions paid	26	25
Charge to the Consolidated Statement of Comprehensive Income (staff costs)	11,623	11,044
Enhanced pension charge to the Consolidated Statement of Comprehensive Income (staff costs)	0	0
<b>Total pension cost for the year</b>	<b>11,623</b>	<b>11,044</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the NITPS was 31 March 2016 and NILGOSC was 31 March 2019.

**NITPS**

The NITPS is an unfunded contributory, voluntary membership scheme administered by the Department of Education. Until 1 April 2015 the scheme operated under the Teachers' Superannuation Regulations (NI) 1998 (as amended). Further information about the scheme is given on the Department of Education's website [www.education-ni.gov.uk](http://www.education-ni.gov.uk).

The Public Service Pensions Act (Northern Ireland) 2014 provided for the closure of existing public sector pension schemes (including the NITPS) from 31<sup>st</sup> March 2015 and the establishment of new schemes based on a career average re-valued earnings model with normal pension age equal to state pension age introduced from 1 April 2015.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

The Government Actuary's Department values the scheme every 4 years with an interim valuation in the intervening 2-year period using the projected accrued benefit method.

The employer contribution rate increased to 25.1% from 1 April 2019.

From 1 April 2021 the bands changed to those below:

<b>Salary</b>	<b>Member contribution rate</b>
Up to £28,309.99	7.4%
£28,310 to £38,108.99	8.6%
£38,109 to £45,185.99	9.6%
£45,186 to £59,885.99	10.2%
£59,886 to £81,661.99	11.3%
£81,662 and above	11.7%

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, and therefore, as required by FRS 102 (28), accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. The college has set out above the information available on the scheme and the implications for the college in terms of the anticipated contribution rates.

## NILGOSC

NILGOSC is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended. The disclosures below relate to the funded liabilities within the Northern Ireland Local Government Officers' Superannuation Pension Fund (the "Fund") which is part of the Local Government Pension Scheme (Northern Ireland) (the "LGPS") and certain related unfunded liabilities which have been separately disclosed.

The LGPS is a funded defined benefit plan with benefits earned up to 31 March 2015 being linked to final salary. Benefits after 31 March 2015 are based on a Career Average Revalued Earnings scheme. Details of the benefits earned over the period covered by this disclosure are set out in 'The Local Government Pension Scheme Regulations (Northern Ireland) 2014' (as amended) and 'The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014' (as amended).

Employee contribution rates are on [www.nilgosc.org.uk](http://www.nilgosc.org.uk).

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

The following information is based upon a full actuarial valuation of the fund at 31 March 2019 updated to 31 July 2022 by a qualified actuary.

**Principal actuarial assumptions**

Principal actuarial assumptions at the Statement of Financial Position date are as follows:

	At 31 July 2022	At 31 July 2021
Rate of increase in salaries	4.25%	4.1%
Rate of increase for pensions in payment/inflation	2.75%	2.6%
Discount rate for scheme liabilities	3.55%	1.7%
Inflation assumption (CPI)	2.75%	2.6%

The current mortality assumptions include sufficient allowance for the future improvements of mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2022	At 31 July 2021
<i>Retiring today</i>		
Males	21.8	21.9
Females	25.1	25.1
<i>Retiring in 20 years</i>		
Males	22.8	23.3
Females	26.1	26.5

The college's share of the assets in the scheme and the expected rates of return were:

	Long-term rate of return expected at 31 July 2022	Value at 31 July 2022 £'000	Long-term rate of return expected at 31 July 2021	Value at 31 July 2021 £'000
Equities	38.6%	33,937	43.2%	39,983
Bonds	25.1%	22,083	40%	37,021
Property	12.2%	10,771	8.9%	8,237
Multi Asset Credit, Cash & other	24.1%	21,086	7.9%	7,312
<b>Total</b>		<b>87,877</b>		<b>92,553</b>

**Amounts recognised in the Statement of Financial Position**

	2022 £'000	2021 £'000
Scheme assets	87,877	92,553
Scheme liabilities	(99,462)	(127,986)
<b>Deficit in the scheme (net pension liability recorded within pension provisions)</b>	<b>(11,585)</b>	<b>(35,433)</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

Amounts recognised in the Consolidated Statement of Comprehensive Income in respect of the plan are as follow:

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Amounts included in staff costs</b>		
Employer service cost (net of employee contributions)	7,506	7,387
Past service cost (obligation based on court rulings)	<u>0</u>	<u>0</u>
<b>Total</b>	<b>7,506</b>	<b>7,387</b>

**Analysis of pension finance income/(costs)**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Expected return on pension scheme assets	1,585	1,095
Interest cost	(2,231)	(1,696)
Interest on net deficit	<u>          </u>	<u>          </u>
<b>Net charge to other finance costs</b>	<b><u>(646)</u></b>	<b><u>(601)</u></b>

**Analysis of Other Comprehensive Income for pensions**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Actuarial gains/(losses) on pension scheme assets	(7,604)	12,534
Actuarial gains/(losses) on scheme liabilities	37,239	1,608
Past service credit arising on change of pension increase assumption in year	<u>          </u>	<u>          </u>
<b>Total Other Comprehensive Income</b>	<b><u>29,635</u></b>	<b><u>14,142</u></b>

**Movement in surplus/(deficit) during the year**

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
Surplus/(deficit) in scheme at 1 August	(35,433)	(44,090)
Movement in the year:		
Employer service cost (net of employee contributions)	(7,506)	(7,387)
Employer contributions	2,464	2,503
Past service cost	(99)	0
Net interest/return on assets	(646)	(601)
Actuarial gain or loss recognised in Other Comprehensive Income	<u>29,635</u>	<u>14,142</u>
<b>Surplus/(deficit) in scheme at 31 July</b>	<b><u>(11,585)</u></b>	<b><u>(35,433)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## Asset and liability reconciliation

	2022 £'000	2021 £'000
<b>Reconciliation of liabilities</b>		
<b>Liabilities at start of period</b>	127,986	121,601
Service cost	7,506	7,387
Interest cost	2,231	1,696
Employee contributions	838	820
Experience gains and losses on scheme liabilities	0	0
Actuarial (gain)/loss	(37,239)	(1,608)
Benefits paid	(1,959)	(1,910)
Past service cost	99	0
Curtailments and settlements	0	0
	<u>99,462</u>	<u>127,986</u>
<b>Liabilities at end of period</b>		
<b>Reconciliation of assets</b>		
<b>Assets at start of period</b>	92,553	77,511
Expected return on assets	1,585	1,095
Actuarial gain/(loss)	(7,604)	12,534
Employer contributions	2,457	2,503
Employee contributions	838	820
Benefits paid	(1,952)	(1,910)
	<u>87,877</u>	<u>92,553</u>
<b>Assets at end of period</b>		

## National Employment Savings Trust (NEST)

To comply with auto enrolment legislation the College joined the National Employment Savings Trust (NEST). Where an employee has previously opted out of NILGOSC or NIPTS the college still has a duty to enrol them in a qualifying pension scheme if certain earnings criteria are met. NEST was set up by the Government to assist with this requirement. The College's contributions to NEST are made on a defined contribution basis at 3%.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****23. EVENTS AFTER THE END OF THE REPORTING PERIOD**

There are no significant events after the end of the reporting period which need to be disclosed.

**24. SUBSIDIARY UNDERTAKINGS**

Belfast Met has two subsidiaries, Springvale Educational Village Limited and Belfast Metropolitan College Trust which are companies registered by guarantee without share capital.

**25. FINANCIAL COMMITMENTS**

At 31 July the college had annual commitments under non-cancellable operating leases as follows:

	<b>Group and College</b>	
	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>
Land and buildings		
Expiring within one year	0	0
Expiring within two and five years inclusive	0	0
Expiring in over five years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>
Other		
Expiring within one year	98	116
Expiring within two and five years inclusive	244	342
Expiring in over five years	0	0
<b>Total</b>	<b>342</b>	<b>458</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)****26. PROVISIONS FOR LIABILITIES AND CHARGES**

	<b>Litigation</b>	<b>Holiday Pay</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
At 1 August 2021	0	311	311
Expenditure in the period	0	0	0
Additions in 2021-22	0	0	0
Unused amounts reversed	<u>0</u>	<u>0</u>	<u>0</u>
<b>At 31 July 2022</b>	<b><u>0</u></b>	<b><u>311</u></b>	<b><u>311</u></b>

The provision relates to a Holiday Pay provision resulting from the Court of Appeal (CoA) judgement (17 June 2019) in the case PSNI v Agnew. The CoA judgement determined that claims for Holiday Pay shortfall can be taken back to 1998.

The PSNI has appealed the CoA judgment to the Supreme Court. In 2021, the case was paused to facilitate mediation. In March 2022, the PSNI were unable to obtain the required authorisation from the Department of Finance in respect of agreeing a potential financial settlement. The mediation process continues, but the case has been re-listed with the UK Supreme Court on 14 and 15 December 2022. The Supreme Court judgement may result in a decision which either reduces the period of liability or confirms the full period back to 1998.

The £311k provision has been estimated by the College and covers the period from 1998 to 31 July 2020, following the Department of Finance approach outlined for Departmental Annual Reports and Accounts (FD (DoF) 08/20).

There are some very significant elements of uncertainty around this estimate for a number of reasons:

1. The appeal to the Supreme Court (as detail above);
2. Lack of accessible data for years previous to 2008-09, requiring estimations to be applied;
3. Future negotiations with Trade Unions;
4. Obtaining legal advice on specific application of the ruling for the NI Further Education sector;
5. The provision is gross (inclusive of Employee National Insurance and PAYE and also includes Employer National Insurance Contributions (NI) at 13.8%;
6. Taxation issues are under discussion with HMRC, by the wider NI public sector.

Therefore, the estimated provision outlined above is based on the application of DoF methodology, which may be subject to change following the outcome of the Supreme Court appeal.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 27. RELATED PARTY TRANSACTIONS AND TRANSACTIONS INVOLVING GOVERNING BODY MEMBERS AND SENIOR MANAGEMENT

Owing to the nature of the college's operations and the composition of the governing body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the governing body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the college's financial regulations and normal procurement procedures.

Governor	Company	Role	Transactions (AP/AR*) 2022 £'000	Transactions (AP/AR) 2021 £'000	Amount outstanding to BMC at 31 July 2022 £'000	Amount outstanding to BMC at 31 July 2021 £'000
Jim McCall	NI Water	Non-Executive Director	33 & 17	73 & 9	1	1
	NHSC	Non-Executive Director	0 & 0	0 & 0	0	0
	NI Housing Executive	Non-Executive Director	57 & 13	33 & 3	3	3
Wendy Gillies	Odyssey Trust Company	Head of Social Affairs	0 & 0	0 & 0	0	0
	Belfast City Council	Programme Director	158 & 76	69 & 61	0	0
Kathleen O'Hare	CCEA	Member	17 & 0	18 & 0	0	0
Maureen Walkingshaw	British Telecom	Former Employee	1,874 & 0	3,029 & 0	0	0
Stephen Dallas	NICVA	Non-Executive Director	529 & 0	0	0	0
	Bytes	CEO	5 & 0	0	0	0
Brian Wilson	CCEA	Member	17 & 0	18 & 0	0	0
<b>Senior Manager</b>						
Damian Duffy	USEL	Non-Executive Director	0 & 11	0 & 0	0	0
Gillian Magee	RC2020	Executive Director	3 & 0	3 & 0	0	0

\* AP/AR – Accounts Payable/ Accounts Receivable

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 28. AMOUNTS DISBURSED AS AGENT

## Support Funds

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
DfE Grants	368	634
Balance unspent in prior year	281	190
	<b>649</b>	<b>824</b>
Disbursed to students	(418)	(543)
<b>Balance unspent at 31 July</b>	<b>231</b>	<b>281</b>

## Care to Learn

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
DfE Grants	3	19
Interest earned	0	0
	<b>3</b>	<b>19</b>
Disbursed to students	(3)	(19)
Audit fees	0	0
<b>Balance unspent at 31 July</b>	<b>0</b>	<b>0</b>

## HE Covid Disruption Payments

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
DfE Grants rec'd or b/fwd	54	683
Interest earned	0	0
	<b>54</b>	<b>683</b>
Disbursed to students	0	(572)
Admin fees	0	(57)
Returned to Dept	(54)	0
<b>Balance unspent at 31 July</b>	<b>0</b>	<b>54</b>

## 29. LOSSES AND SPECIAL PAYMENTS

In the period 1 August 2021 to 31 July 2022 there were no losses or special payments made and no bad debts were written off. (2020-21 £77,032).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 30. PRIOR PERIOD RESTATEMENT

The College has amended its accounting policy in relation to the valuation of land and buildings to ensure there is a consistent approach across the Further Education Sector. Land and buildings are now stated in the Statement of Financial Position at valuation on the basis of depreciated replacement cost including irrecoverable VAT, as the open market value for existing use is not readily obtainable. The 2020-21 figures reported previously have been restated to reflect this change in accounting policy.

## (i) The Consolidated Statement of Comprehensive Income and Expenditure has been restated as follows:

	2021 Published Accounts Group £'000	Restate- ment £'000	2021 Restated Group £'000	2021 Published Accounts College £'000	Restate- ment £'000	2021 Restated College £'000
<b>Surplus/(deficit) for the year</b>	<b>(7,991)</b>		<b>(7,991)</b>	<b>(7,942)</b>		<b>(7,942)</b>
<b>Other Comprehensive Income</b>						
Unrealised surplus on revaluation of land and buildings	769	152	921	769	152	921
Actuarial (loss)/gain in respect of pensions scheme	14,142		14,142	14,142		14,142
<b>Total comprehensive income for the year</b>	<b>6,920</b>	<b>152</b>	<b>7,072</b>	<b>6,969</b>	<b>152</b>	<b>7,121</b>

## (ii) The Statement of Financial Position has been restated as follows:

	2021 Published Accounts Group £'000	Restate- ment £'000	2021 Restated Group £'000	2021 Published Accounts College £'000	Restate- ment £'000	2021 Restated College £'000
<b>Non-Current assets</b>						
Property, Plant and Equipment	111,613	19,604	131,217	109,177	19,604	128,781
Intangible Assets	405		405	405		405
Endowment Assets	177		177			
<b>Total</b>	<b>112,195</b>	<b>19,604</b>	<b>131,799</b>	<b>109,582</b>	<b>19,604</b>	<b>129,186</b>
<b>Net current (liabilities)/assets</b>	<b>(8,152)</b>		<b>(8,152)</b>	<b>(8,096)</b>		<b>(8,096)</b>
<b>Total assets less current liabilities</b>	<b>104,043</b>	<b>19,604</b>	<b>126,647</b>	<b>101,486</b>	<b>19,604</b>	<b>121,090</b>
<b>Less: Creditors – amounts falling due after more than one year</b>	<b>52,886</b>		<b>52,886</b>	<b>52,507</b>		<b>52,507</b>
<b>Provisions</b>						
Pensions provisions	35,433		35,433	35,433		35,433
Other provisions	311		311	311		311
<b>Net assets including pension liability</b>	<b>15,413</b>	<b>19,064</b>	<b>35,017</b>	<b>13,235</b>	<b>19,064</b>	<b>32,839</b>
<b>Unrestricted Reserves</b>						
Income and expenditure account – unrestricted reserve	(42,288)		(42,288)	(42,800)		(42,800)
Endowment Reserve	177		177	0		
Revaluation Reserve	57,524	19,604	77,128	56,035	19,604	75,639
<b>Total Reserves</b>	<b>15,413</b>	<b>19,604</b>	<b>35,017</b>	<b>13,235</b>	<b>19,604</b>	<b>32,839</b>

The 2019-20 figures reported previously have been restated to reflect this change in accounting policy.

(i) **The Consolidated Statement of Comprehensive Income and Expenditure has been restated as follows:**

	2020 Published Accounts Group £'000	Restate- ment £'000	2020 Restated Group £'000	2020 Published Accounts College £'000	Restate- ment £'000	2020 Restated College £'000
<b>Surplus/(deficit) for the year</b>	<b>(4,842)</b>		<b>(4,842)</b>	<b>(5,061)</b>		<b>(5,061)</b>
<b>Other Comprehensive Income</b>						
Unrealised surplus on revaluation of land and buildings	2,052	19,452	21,504	2,209	19,452	21,661
Actuarial (loss)/gain in respect of pensions scheme	(19,679)		(19,679)	(19,679)		(19,679)
<b>Total comprehensive income for the year</b>	<b>(22,469)</b>	<b>19,452</b>	<b>(3,017)</b>	<b>(22,531)</b>	<b>19,452</b>	<b>(3,079)</b>

(ii) **The Statement of Financial Position has been restated as follows:**

	2020 Published Accounts Group £'000	Restate- ment £'000	2020 Restated Group £'000	2020 Published Accounts College £'000	Restate- ment £'000	2020 Restated College £'000
<b>Non-Current assets</b>						
Property, Plant and Equipment	112,380	19,452	131,832	109,925	19,452	129,377
Intangible Assets	407		407	407		407
Endowment Assets	175		175			
<b>Total</b>	<b>112,962</b>	<b>19,452</b>	<b>132,414</b>	<b>110,332</b>	<b>19,452</b>	<b>129,784</b>
<b>Net current (liabilities)/assets</b>	<b>(6,353)</b>		<b>(6,353)</b>	<b>(6,329)</b>		<b>(6,329)</b>
<b>Total assets less current liabilities</b>	<b>106,609</b>	<b>19,452</b>	<b>126,061</b>	<b>104,003</b>	<b>19,452</b>	<b>123,455</b>
<b>Less: Creditors – amounts falling due after more than one year</b>	<b>52,627</b>		<b>53,627</b>	<b>53,248</b>		<b>53,248</b>
<b>Provisions</b>						
Pensions provisions	44,090		44,090	44,090		44,090
Other provisions	399		399	399		399
<b>Net assets including pension liability</b>	<b>8,493</b>	<b>19,452</b>	<b>27,945</b>	<b>6,266</b>	<b>19,452</b>	<b>25,718</b>
<b>Unrestricted Reserves</b>						
Income and expenditure account – unrestricted reserve	(48,437)		(48,437)	(49,000)		(49,000)
Endowment Reserve	175		175	0		
Revaluation Reserve	56,755	19,452	76,207	55,266	19,452	74,718
<b>Total Reserves</b>	<b>8,493</b>	<b>19,452</b>	<b>27,945</b>	<b>6,266</b>	<b>19,452</b>	<b>25,718</b>

## 31. ADDITIONAL DISCLOSURES TO COMPLY WITH FINANCIAL REPORTING MANUAL

Financial Reporting Manual (FReM) requires Non-Departmental Public Bodies to regard grant-in-aid received as contributions from controlling parties giving rise to a financial interest in the residual interest of the body, and hence accounted for as financing i.e. by crediting them to the income and expenditure reserve.

	Notes	2022 Group £'000	2021 restated Group £'000
<b>INCOME</b>			
DfE income (non grant-in-aid items)	1	4,059	3,311
Education contracts	2	611	524
Tuition fees and charges	3	8,083	7,818
Other grant income	4	1,761	2,862
Other operating income	5	1,121	987
Endowment and investment income		0	0
Profit on disposal of assets		0	0
<b>Total incoming resources</b>		<b>15,635</b>	<b>15,502</b>
<b>EXPENDITURE</b>			
Staff costs	7	46,510	45,417
Other operating expenses	9	26,591	24,343
Depreciation	12	4,851	4,459
Interest and other finance costs	10	646	601
Holiday Pay Provision	26	0	0
<b>Total resources expended</b>		<b>(78,598)</b>	<b>(74,820)</b>
<b>Net deficit for the year</b>		<b>(62,963)</b>	<b>(59,318)</b>
Unrealised surplus on revaluation of land and buildings		9,321	921
Actuarial (loss)/gain in respect of pension scheme		29,635	14,142
Transfer due to endowment asset investments		0	0
<b>Amount transferred to reserves</b>		<b>(24,007)</b>	<b>(44,255)</b>
<b>Analysis of reserves prepared under FReM</b>			
		<b>2022</b>	<b>2021</b>
		<b>£'000</b>	<b>£'000</b>
Balance at 1 August restated		35,017	27,945
Grant-in-aid received in year		53,834	51,327
Net operating cost for year [ <i>amount transferred to reserves</i> ]		(24,007)	(44,255)
<b>Balance at 31 July</b>		<b>64,844</b>	<b>35,017</b>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 30 November 2022.

