



Annual Report
and Financial Statements

2020
21

**Belfast Metropolitan College
Annual Report and Accounts
For the year ended 31 July 2021**

*The Accounting Officer authorised these
financial statements for issue
on
17 November 2021*

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by the Department for the Economy*

on

8th December 2021

Belfast Metropolitan College
Annual Report and Financial Statements
For the year ended 31 July 2021

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Foreword

By Chair of Governing Body

FOREWORD BY CHAIR OF GOVERNING BODY



On behalf of the Governing Body of Belfast Metropolitan College (Belfast Met or the College), let me start by commending the leadership team, staff and learners for rising to the ongoing challenge of the Covid-19 pandemic.

The welfare of students and staff is central to what we do at Belfast Met. Since September 2020 and during the first half of 2021, we have had to endure repeated lockdowns, stalling the ability of the College to provide the on-campus and on-the-job training that many learners and employers expect of their experience of learning at a Further Education College.

At the start of this academic year, we were able to teach more students face to face, although much of our provision remained online. However, in January 2021, we were faced with a more severe lockdown, and were only able to support a small number of our learners face to face. On a positive note, we have learned a great deal about how to support our students through online learning and how to assess students, so their efforts are fairly rewarded. In doing so, we have continued to help thousands of students secure their qualifications to continue their journey into employment or further learning.

Despite the difficulties everyone has faced, there have been some notable achievements and moments to celebrate.

In May, the College celebrated the launch of its 100th Assured Skills Academy, funded by the Department for the Economy (DfE), which was the third PwC Data and Analytics Academy to be delivered by Belfast Met.

This is a brilliant achievement by all the staff involved, as Belfast Met has worked with 90 companies in collaborative academies. Despite Covid-19 there has been an increase in the number of academies on offer over the last year. The College has delivered fourteen Assured Skills Academies since March 2020, with a further five academies currently being delivered with PwC, KPMG, Deloitte and Sensata.

Belfast Met lecturer Craig Gibson was delighted on hearing the news that two of his Creative Digital Media Production students have been recognised in a prestigious national competition by winning silver and bronze BTEC Learner of the Year awards this year.

The College's Futures Project picked up four awards in the Open College Network Northern Ireland's Learning Endeavour Awards 2021. This is the third OCN NI Awards Ceremony that was online this year, which recognises and celebrates the accomplishments of individuals and their training providers by highlighting the power of learning to transform lives and society for the better. The Futures Project supports the active inclusion of young people to ensure that they can access opportunities and contribute to the economic success and social wellbeing of the city and wider region. A huge congratulations goes to Emad Hazaea who won the FE Learner of the Year award this year, and to Shane Green who was Highly Commended in the same category. A fantastic achievement also for Futures Project tutor Nicole McKee who was Highly Commended for Inspiring Tutor of the Year, and for the College which was Highly Commended in the Provider of the Year award category.

We were also shortlisted for the Inspiring Workplace Awards which recognises great places to work and the roles within them. This is an excellent endorsement for the College as an Employer of

Choice, given the scope of the international entrants to these awards and its global reach. The College was shortlisted for the Inspiring Culture Award, because of the work undertaken through our Digital by Default Staff, Support and Development Programme. Our teams have supported the roll out of a substantive and successful change programme in moving delivery of programmes online.

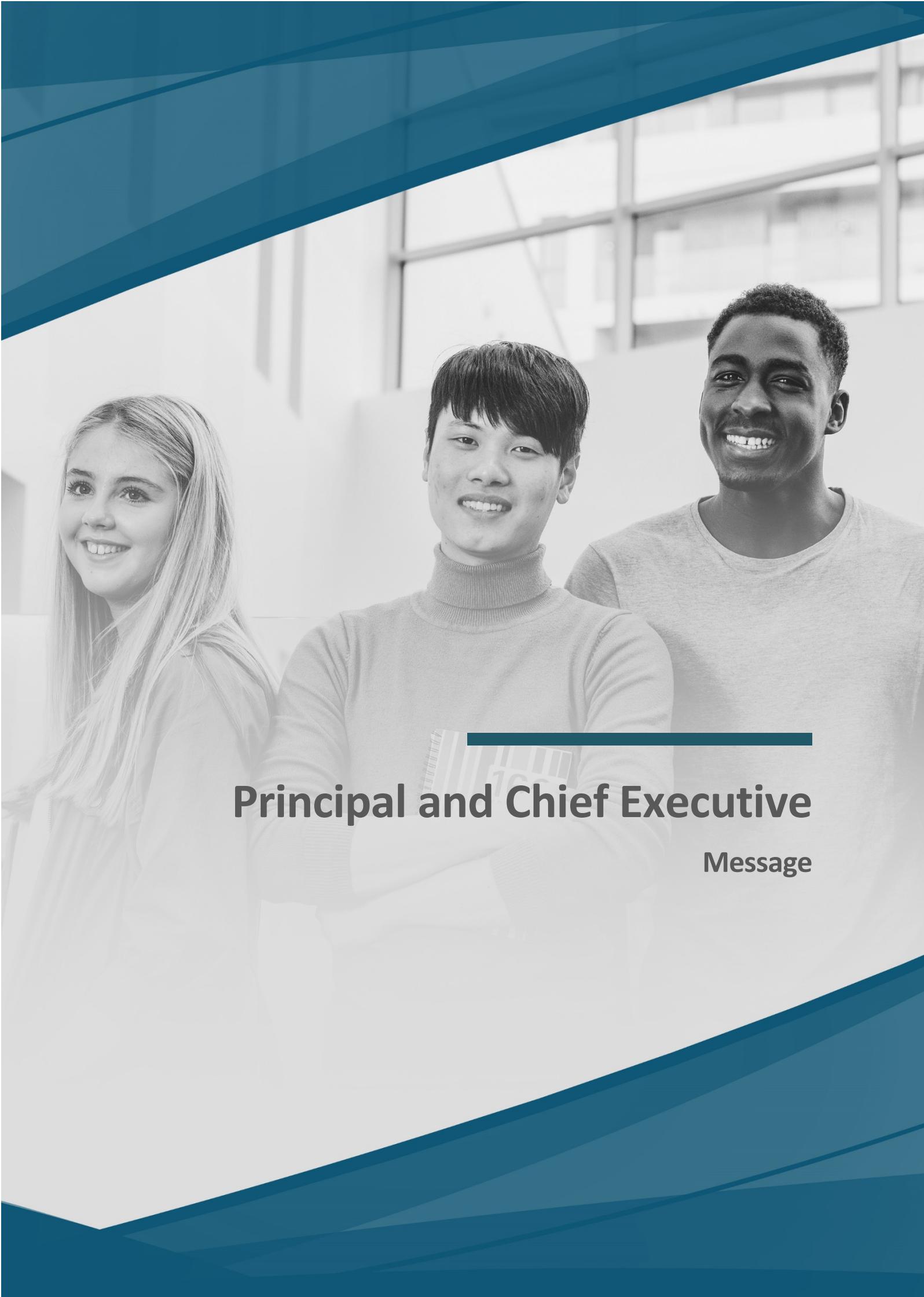
We are very proud to still be offering a learning experience which our students clearly value. In 2021 Belfast Met received an overall satisfaction rating of 94% from Further Education students, and 80% from Higher Education students. The College continued to pride itself in delivering real benefits to our learners who go on to secure their first job and take advantage of greater career opportunities from higher qualifications. Of those learners who left the College in 2018-19, it is hugely satisfying to note we have improved on the numbers of those who went into employment or went on to further learning – at 90.9%, an increase of 2.9% since the previous year. This demonstrates our success in getting people upskilled so they are labour market ready or can move the next stage in their learning journey.

This year we sadly bid a fond farewell to Directors, Elaine Hartin and Dr. Jonathan Heggarty. On behalf of the Governing Body, and the whole College, I wish to note our gratitude to both Elaine and Jonathan for their insight, leadership, and steady hands during an exceedingly challenging year, and for all their work during their time with us at Belfast Met.

Finally, I wish to record my huge thanks to all of Belfast Met's staff, my fellow governors, Department for the Economy colleagues, business partners and, most importantly, our learners.



Frank Bryan
Chair of Governing Body



Principal and Chief Executive

Message

MESSAGE FROM PRINCIPAL AND CHIEF EXECUTIVE



Having witnessed the full academic cycle of the College, in the face of a challenging delivery environment, I continue to be inspired by the scale of [Belfast Met's response to the Covid-19 crisis](#) and the ongoing efforts to deliver teaching and learning – online and on campus.

In the last six months at Belfast Met, we have been looking to the future. A future where we must remain agile, competitive, responsive.

Together with colleagues across the College, we have developed a new three-year Strategic Plan: 'Choose Success 2021-22 – 2023-24'. This will come into effect at the start of the next academic year and will set the framework for what we deliver and what impact we wish to see over the next three years. Our values – collaboration, achievement, respect, and excellence – will remain the same though, continuing to embed and guide the culture and behaviours we want to see amongst those who work and study here. We have developed our new Strategic Plan in the context of consultation on the new skills strategy for Northern Ireland, 'Skills for a 10X Economy'. The Further Education (FE) sector is a skills engine for Northern Ireland and our learners, and the employers they will enhance as work-ready staff. The College is very much central to the economic future of Northern Ireland as it recovers and renews in the wake of Covid-19.

We have invested a great deal of time and resource into developing a range of new programmes and partnerships which will enable Belfast Met to support the economic recovery and renewal of the Belfast City Region. These range across all areas of our curriculum and position us in both our traditional sectors and new areas of education and training. A flagship programme will be the new Traineeship for people over 16 years. It covers a range of sectors, including Brickwork, Engineering, Hair Dressing and Plumbing, with further traineeships being introduced in following years. This new system of learning is being delivered by the six further education colleges, with Traineeships available in a broad range of employment areas that have support for work-based learning which is being provided by local employers. Each Traineeship has been developed with employers to ensure that learners will get the skills that employers are looking for.

As we emerge from the pandemic, we must not forget the ongoing challenge of showing what the College has to offer learners and employers as an FE and Higher Education (HE) provider. For too long, we have lacked parity of esteem with schools and Universities in the eyes of learners, their parents and amongst the wider public. School leavers, in particular, need to understand the many alternative and valuable routes to a successful career or the next stage in their education that are available to them via the College and why they should choose to study with us.

This challenge needs addressing head on. I am delighted that we have two initiatives aimed at promoting the sector and the value of an education at Belfast Met. Together with the other FE Colleges in Northern Ireland, we launched a new campaign from our Belfast Film and Television School studios at our Springvale Campus, "FE for Me". The campaign's aim is to attract learners to our Colleges so they can benefit from the superb teaching, support services and state-of-the-art facilities we offer as well as the career opportunities that learning at Belfast Met can open up. Northern Ireland's Universities and FE Colleges have also united behind a new initiative aimed at ensuring school leavers are made aware of the full range of higher education options available

locally. For the first time school leavers, parents and careers staff will have access to the full higher education course listing through a single source at each of Northern Ireland's two universities.

Despite this year's travails, we have consolidated our position as the leading FE College in Northern Ireland. I look forward now to making Belfast Met the College, Employer and Partner of Choice for learners, staff and for those we work with, to deliver the very best education and training.



Louise Warde Hunter
Principal and Chief Executive



Strategic Report

2020-21

STRATEGIC REPORT 2020-21

NATURE, OBJECTIVES AND STRATEGIES

The Governing Body members present their report and the audited financial statements for the year ended 31 July 2021.

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.

Mission Statement

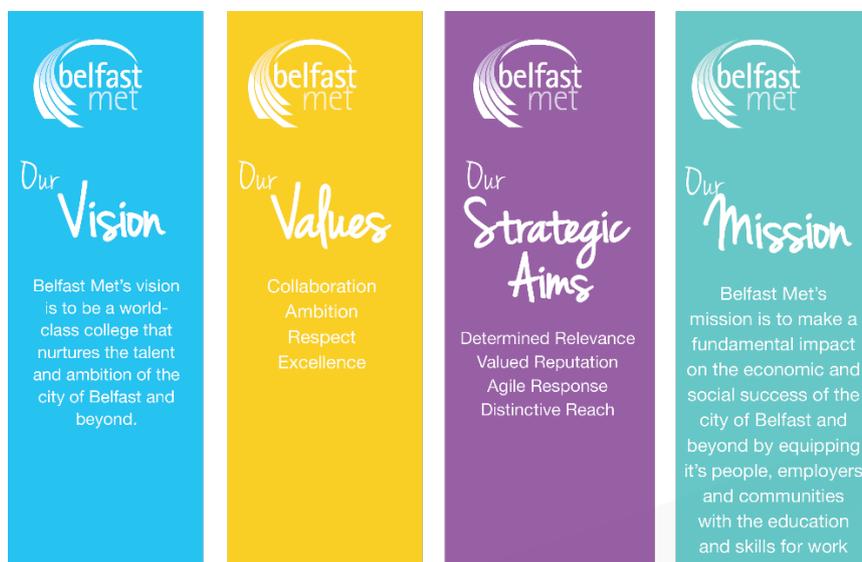
Belfast Metropolitan College's mission statement has been reviewed by Governors of the College and remains as set out in our 2016–20 'Leading the City to Work' Corporate Plan:

"To make a fundamental impact on the economic and social success of the city of Belfast and beyond by equipping its people, employers and communities with the skills for work."

Due to the challenges presented this academic year, we extended our existing Corporate Plan to the end of the academic year 2021 to ensure continuity but also to enable us to focus on the immediate requirements of responding to the pandemic.

Achievements against Strategic Aims and Objectives

Our Corporate Plan 2016–20 provided the broad structure against which we planned, monitored, reviewed and analysed our performance. It set out our vision and mission and summarises the strategic aims, objectives and core values of the College. These are represented in the illustration below.



Strategic Aim 1: Determined Relevance

Relevancy sits at the very heart of Belfast Met's ambitions and plans.

Significant achievements:

- Completing our new Strategic Plan for 2021-22 – 2023-24. This will ensure that all our College is fit for purpose over the next three years. In developing the plan, we engaged with staff across the College to define what we plan to do so that we become the College of Choice for learners, the Employer of Choice for employees and the Partner of Choice for all our stakeholders. We also want to be Digital by Design and Sustainable by Nature. All our objectives are supported by detailed actions and an accompanying three-year operational plan.
- In July, Artemis Technologies and Belfast Met announced a new apprenticeship programme offering a “once in a lifetime” opportunity to play a role in the future of maritime transport. It marks a major milestone for the Belfast Maritime Consortium project, led by Artemis Technologies, to create transformative marine technologies and a new range of zero-emission vessels in the city. Commencing in September 2021, the three-year Advanced Manufacturing Apprenticeship will combine classroom tuition with hands-on experience at Artemis Technologies, working alongside its team of world-leading experts.
- In 2020, the Belfast Met led the ARISE consortium which secured €1.12M grant from the Horizon 2020 Work Program to develop a European-wide distinguishable recognition scheme of digital construction skills linked to a maturity-based digital ranking system for accounting Continuous Professional Learning.
- Belfast Met and Crusaders Football Club announced a new collaborative partnership with exciting plans for a new Crusaders Football Academy to commence in September 2022. The new Crusaders Football Academy is a welcome, innovative addition to Belfast Met's existing well established Football Academy which continues to deliver a high quality, three A Level equivalent Sport programme alongside High-Performance football coaching and an IFA coach education programme. The Belfast Met Football academy, which will kick off again in September 2021, has been leading the way in education and skills through football for 11 years and was the first full time football academy in Ireland.
- We are continuing to lead two Curriculum Hubs for Hospitality and Tourism and Digital ICT. The hubs are collaborative groups of experts from the six FE colleges working together to deliver curriculum excellence.
 - Through the Digital IT Hub, staff from the six FE colleges have been upskilled in a range of skills including cyber security, data analytics, programming, etc. Additionally, staff have worked together in workshops to help develop teaching resources and share best practice for delivery on Level 3 Computing courses. Higher Level Apprenticeship provision is now provided at Level 5 and 6 in key technology areas including cyber security and cloud computing. Through the IT Sectoral Partnership, we are engaging with companies to review apprenticeship provision and delivery. In relation to Level 3 Apprenticeships, 2 apprenticeship pathways have been updated in Software Development and Networking Infrastructure and an additional 2 pathways developed IN Cyber Security and

Digital Forensics. This has resulted in an increase in the number of apprentices trained in IT by the FE Colleges.

- The Tourism and Hospitality Hub is helping to deliver on the Tourism Recovery Action Plan, phase two, launched on the 28th May 2020. The Tourism and Hospitality Hub is focussed on the immediate and devastating impact of Covid-19 on the industry, providing tailored support to develop skills in the short term and into the future. Recent examples of what the hub is doing include: -
 - Skills Development: The hub is undertaking of a curriculum review of full and part-time programmes to incorporate skills development at all levels as identified by the sector (People 1st, 2020) that will be required post lockdown such as digital skills, customer care skills (Covid Safe), effective communication, resilience and wellbeing, emotional intelligence, entrepreneurship, and experience of the delivery of hybrid events.
 - Collaborating to address the skills shortage: The hub is represented in a voluntary position on the advisory board of The Springboard Charity, championing the hospitality and tourism industry thus future proofing hospitality's talent pipeline. In partnership with Ulster University, the hub has developed a planned set of student engagement activities and promotional events for 2021-22 to address the skills shortage of chefs and hospitality students entering a career with the Royal Navy.
 - Contributing to the attractiveness of the sector: The hub has developed excellent links with the DfE's Careers Occupational Information Unit (COIU). The hub is currently working with the careers unit to spotlight careers within the tourism industry over the next few months as it emerges from lockdown.

Strategic Aim 2: Valued Reputation

Belfast Met's reputation for providing economically relevant, good quality, employer-led provision has grown in recent years.

Significant achievements:

- Continuing to play a key role in the delivery of Belfast Region City Deal and leading on the Skills and Employment Proposition strategy within the Deal, aimed at creating 20,000 new jobs by 2030.
- Belfast Met lecturer Craig Gibson was delighted on hearing the news that two of his Creative Digital Media Production students have been recognised in a prestigious national competition by winning silver and bronze BTEC Learner of the Year awards this year. This is the eleventh year of the BTEC Awards which was co-hosted by presenter of the United View, YouTube influencer and BTEC alumnus and ambassador, Flex and sports presenter and events host, Gemma Care. 19 category award winners were celebrated from around the UK and internationally in subjects such as Health and Social Care, Performing Arts, Engineering, IT, Business and Sport.
- The College is the first FE college in Northern Ireland to be part of the Washington Ireland Program (WIP). Three of our students, Kelly Welsh and Jonathan Forbes studying their BTEC

L3 Extended Diploma in Business, Jack Bresland who is studying his Level 5 HND in Business will be benefiting from this international partnership programme.

- Belfast Met leads for the sector in Inclusive Skills development competitions for people with severe learning difficulties and disabilities. We have strong strategic partnerships and collaboration in this field. We annually organise and host the NI heats for WorldSkills UK across the six FE Colleges at entry level and giving the successful NI candidates the opportunity to compete in World Skills UK Inclusive Skills. The competitions provide valuable links to industry, employing industry experts as judges and enables industry relevant skills development for people with severe learning disabilities within a Supported Environment.

Strategic Aim 3: Agile Response

Belfast Met is committed to ensuring that it responds quickly and effectively to the City's increasingly varied and constantly changing skills demands.

Significant achievements:

- Nearly 60% of our enrolments were on courses related to five of the six priority sectors for economic growth identified in The Industrial Strategy.
- Belfast Met's Centre for Skill and Apprenticeships launched the Mentor Connect programme which will provide valuable support to employers and apprentices. Mentor Connect is a package of free digital resources for employers and apprentices that will improve the support provided to apprentices and employers involved with apprenticeships and give an understanding of how apprenticeships work. It is supported by the NI Apprenticeship Challenge Fund through the Department for the Economy which offers a range of online materials for both employers and apprentices which will strengthen relationships and ensure that apprentices gain the maximum benefit from their experience.
- This year, we launched a new Hospitality and Tourism Recovery Programme to provide a skills-led approach to supporting managers in the industry as they move through the pandemic restrictions into recovery ahead. Funded by the Department for the Economy and delivered in partnership across the six FE colleges in Northern Ireland, the programme is aimed at Hospitality and Tourism industry managers and technical specialists of all levels, with an Institute of Leadership and Management (ILM) / Chartered Management Institute (CMI) Level 3 accredited qualification also on offer to eligible businesses.
- The International Office have been successful in winning £154,278 from the newly launched UK Turing Scheme that replaced Erasmus. This creates a fantastic opportunity for fifty of our FE Level 3 business students to study for 2 weeks with our partner at Felician University in New Jersey USA.

Strategic Aim 4: Distinctive Reach

Belfast Met is constantly working to strengthen its reach and in doing so help widen participation, enhance social mobility, build community capacity and create a fairer society.

Significant achievements:

- Working with the Skills and Apprentice team, the International Office have been successful in securing €262,000 from the Erasmus+ Strategic Partnership programme in leading the way to manage an employer engagement project - Bridges Work-Based Learning (WBL). Working in collaboration with eight partners across seven countries, this project will ensure that vocational education and training providers and professionals will have the necessary resources to improve work-based learning through effective employer engagement, and in turn make a valuable contribution to our local economy.
- The International Office has been successful in securing €299,755 from the Erasmus+ Strategic Partnership programme to lead the way in Digital Transformation. Working with seven partners across six countries, the project called "DITRAVET" aims to support and improve participation, disrupting the current blended learning methods, digitalisation and digital transformation with an output of developing materials for WBL managers, lecturers and learners.
- Our Childhood Studies Girdwood Level 2 Childcare team was awarded Highly Commended in the Social Inclusion (Large Organisation) category for their Level 2 Girdwood Childcare Project submitted to AONTAS as part of their annual awards. This is an excellent exemplar of a social inclusion and widening participation initiative which has supported disadvantaged adults to engage in adult lifelong learning and gain industry relevant skills and qualifications, leading to employment in the important Early Years sector. AONTAS is an all-Ireland, life-long learning organisation and their social inclusion award category is open to adult learning initiatives that support all participants to effectively engage with their local community and contribute to social and cultural life.
- Our European Social Fund (ESF) funded programmes, Skills for Industry and College Connect, continue to work with groups of long-term unemployed and economically inactive young people and adults, to provide progression pathways into further training and employment. For example, in the last academic year, Skills for Industry has supported 49% of participants into FE/training and 19% into employment. College Connect has supported 16% into employment and 42% into FE/Training.
- Students formed a volunteering service, where with support from the National Lottery Community Fund and additional costs covered by the Belfast Met Charitable Trust, they recruited, trained and rewarded volunteers to run a number of initiatives to address financial hardship, such as a Breakfast Club and food parcels.
- The Students' Union at Belfast Met has continued to lead on projects aimed at addressing some of the most critical issues facing many students at the College. The College sent out a clear message of zero tolerance to domestic abuse, pledging to support victims of domestic abuse by providing a safe place and key information. The Student Union staff also met with a representative of the College Trust and we were able to secure 200 emergency sanitary products to address the issue of period poverty. It is hoped that the College will provide vending machines in selected bathrooms across all four campuses. Finally, the Student Union has run many health and well-being events throughout the year which included International Men's day, International Women's day, Anti-Bullying week, a Mental health awareness week and a No Smoking day.

- The Centre for Supported learning in Belfast Met delivers a Positive Action Programme that seeks to prepare students with Disabilities for open employment across a range of a range vocational areas. It provides relevant work placement and skills development to enable these students to apply and gain meaningful employment. To date nine people with severe learning difficulties are in employment as a result of this programme. The programme will be offered in 2021-22 to an additional nine students.
- The Department of Learner Success provided an agile response to the Safeguarding, Care and Welfare needs of our students despite the significant barrier that Covid-19 presented to their education and learning. Our existing service provision was digitised and moved to remote provision. Numerous additional support measures were put in place to ensure that our students were able to cope and then thrive, for example, the Student Resilience Building Programme, PC Allocation Scheme, Online Assessment of Welfare and Additional Support Needs, Structured Telephone and Video Counselling provision. Students directly affected by Covid-19 were supported by comprehensive, individually tailored, wrap around support from disclosure, testing, track and trace, isolation and return to College. Safeguarding procedures were scrutinised to ensure that they continued to reflect best practice in the changing environment, the Safeguarding, Care and Welfare Policy Covid-19 addendum was developed and approved.
- Our English for Speakers of Other Languages (ESOL) students were able to complete their courses online during lockdown. The Belfast Metropolitan College Trust gifted some tablets at the start of the pandemic to those most in need, thus preventing them from isolation and avoiding further disruption in their learning path. Health and care support was continually offered and available to them. Many have commented that the fact they were able to continue with their classes was a lifeline for them. The College was able to allocate some computers and dongles for Internet access to those who were having difficulties to access the online courses. Therefore, the majority of them were able to progress in their learning journey despite the pandemic. The school is also engaged with the Department on the development of a regional ESOL strategy for NI. Engagement of members of the school team in the development of an NI ESOL strategy will help bring focus on ESOL in terms of qualification equivalencies, this will further help break down some barriers
- The School for Health, Wellbeing and Inclusion's Childhood Studies and Health and Social Care centres deliver a bespoke vocational programme for local community organisations. This provides unemployed adults from disadvantaged communities with a clear progression pathway to industry relevant qualifications and skills leading to employment opportunity in the Early Years and Health and Social Care sectors.

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 Programme for Government.

In August 2020, DfE approved Belfast Met's College Development Plan 2020-21, a copy of which can be found on the College website. 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 the sections below.

Report Card 1: QUALIFICATIONS

Belfast Met offers a curriculum aligned to the needs of the local economy, delivering priority skills that meet the needs set out in the Skills Barometer.

What did we do?

Belfast Met delivers a Priority Skills, STEM-centred curriculum, which is aligned to, and complements the aspirations outlined in the Skills Barometer. As one of the largest and longest established further and higher education colleges in Northern Ireland, Belfast Met attracted 22,753 student enrolments in 2020-2021.

How well did we do it?

Belfast Met has high levels of retention, achievement and success as illustrated below. For 2020-21, achievement and success rates have been impacted by Covid-19.

	2018-19	2019-20	2020-21
Retention rate (%)	90.6	91.6	91.25
Achievement rate (%)	87.8	87.7	86.8
Success rate (%)	79.5	80.3	79.2

Belfast Met aspires to maintain current levels of Retention, Achievement and Success however there are many social barriers to educational attainment.

The response to our Learner Satisfaction Survey showed how we are still delivering a well-regarded education and training offer – 95% of respondents were satisfied with Belfast Met. The National Student Survey of HE final year students, showed that Belfast Met recorded 79.5% HE Student Satisfaction.

Is anyone better off?

The Department for the Economy conducts a survey of FE leavers to enquire about their main activity six months after completing and achieving their regulated qualification at Belfast Met.

Based on the 2018-19 FE Leavers Survey, published in November 2020, 45.2% of Belfast Met leavers were in employment and 45.8% were in learning (91%). 3.2% of those learners surveyed were unemployed and 5.8% other (economically inactive).

Based on the Graduate Outcomes Survey 2018-19 (published in July 2021), 61% of our HE learners were in employment 15 months after graduation and 17% in employment/learning and 10% further learning. Only 5% were unemployed compared to 6% for all UK HEIs. The median Belfast Met salary for Belfast Met HE graduates 15 months after graduating is £21,001 - £24,000.

Report Card 2: BUSINESS

What did we do?

In 2020-21 year, we engaged with a large number of businesses through activity related to Traineeships, apprenticeships (including HLAs) and targeted business support programmes, delivering:

- Skills Focus: 264 enrolments across courses from Level 2 – Level 7 supporting upskilling in 184 businesses;
- InnovateUS: 75 InnovateUs projects completed and 87 baseline reviews undertaken;
- Assured Skills: 18 Academies delivered with 346 enrolments; and
- Delivering 1,155 Apprenticeships and Higher Level Apprenticeships.

How well did we do it?

We exceeded all our enrolment and funding business targets as agreed with the DfE in the College Development Plan.

Is anyone better off?

- Skills Focus: We have provided industry relevant up-skilling with 147 businesses reporting upskilling across 32 courses, upskilling employees in priority sectors and tailoring our support to their needs and requirements including Leadership and Management (Levels 3, 5 & 7), Business Disciplines (Accounting Technician & Human Resource Management), Digital Marketing (Levels 2, 3, 4 & 6), Digital Skills (Cisco Cyber, Microsoft Qualifications) and Digital Construction Courses.
- Assured Skills: 274 participants went into employment, at circa 94% success rate, between April 2020 - March 2021.
- InnovateUs: 104 employees upskilled across 69 businesses to support innovative new product, service and process development. As a result of the programme this year:
 - Over 200 jobs safeguarded within small businesses across NI
 - 85% of businesses are now in a position to scale up their business
 - Businesses seen an average 6% increase in sales across NI
 - 82% of businesses felt they have greater confidence to engage in innovation activities in future
- Completion of 16 Invest NI Innovation Vouchers, supporting product design, prototyping and development in areas of IT, Fashion & Textiles and 3D printing.

- Through the Connected Programme, we delivered 13 “Support for Innovation” webinars to over 340 participants in areas of innovation, that included IT Technologies (Blockchain, Internet of Things), New Product Design and 3D Printing, Power BI and Data Analytics, and Fashion and Manufacturing Innovation.

Other achievements throughout the year include:

Skills Intervention Programme

As a response to the pandemic to support those whose job had been impacted by it through furlough, redundancy or unemployment. Belfast Met delivered 53 online short courses supporting 778 individuals. Breakdown of this is as follows:

- 45 participants in Digital Construction Courses
- 82 participants in Leadership & Management Courses
- 169 participants in Digital Marketing & Social Media Courses
- 196 participants in Industry Standard IT Courses
- 286 participants in Health and Wellbeing Courses

In addition to the online short courses, the Skills Intervention Programme supported the following:

- Digital Futures – Designed by Belfast Region City Deal partners to upskill graduates in Cloud Computing. Through this, 20 participants were upskilled in seven different qualifications and completed a 10-week work placement to put their learning into practice.
- Press Refresh – Designed in partnership with Women in Business, this programme provided 21 women returners with skills and qualifications in data analytics, as well as build important skills in resilience, confidence and communication. 50% of participants are now working in IT roles.
- Creative and Digital Technologies Academy – This programme, delivered by Creative and Digital staff in partnership with Cinemagic and North West Regional College, supported 60 (*Belfast Met supported 34 of these) young people to develop real skills, explore opportunities and gain confidence to thrive in a career in the creative and digital sector, with a particular focus on film-making.
- Hospitality and Tourism Recovery Programme – Designed and delivered in partnership across all six FE Colleges, this programme provided a skills-led approach to supporting managers in hospitality and tourism as they navigated the Covid-19 pandemic restrictions towards future recovery. Through this programme, Belfast Met delivered:
 - Four Management Spotlight Webinars to over 350 individuals. The webinars focused on Skills Support, Building Resilience, Recruitment and Retention of Staff and Changing Customer Service
 - A contextualised Level 3 Award in Leadership and Management to 15 Hospitality and Tourism participants

Report Card 3: SOCIAL INCLUSION

What did we do?

Belfast Met has a diverse range of learners with nearly 40% of learners coming from the most deprived quintiles (1 and 2). 8.1% of learners were Black, Asian, and Minority Ethnic students. 9.1% of learners reported having a disability.

Key achievements in relation to Social inclusion for the 2020-21 year include:

- 301 enrolments on targets programmes, including Futures, Prince's Trust, College Connect and Skills for Industry;
- 1,588 enrolments on ESOL programmes; and
- 6,565 learners (61% of all learners) were from quintile 1 or 2, had a disability or long-term health problem, were on entry level or level 1 programmes or studying an ESOL programme.

Due to Covid-19, targets were formally suspended by the NI Prison Service (NIPS). There has been no access to prison sites since March 2020. Factors impacting student numbers include: the availability of classrooms (currently utilised for virtual visits and engagement by other agencies); low numbers in the classes due to social distancing; and the capacity of NIPS to mobilise and manage students due to staffing levels. As a result, student engagement with virtual learning has remained low. We continue to engage with students, however, the ability to deliver outcomes over the period remains severely restricted.

How well did we do it?

Belfast Met's Achievement rate is similar to last year's rate, and we have improved upon our Retention and Success rates. This is despite the fact that there are many social barriers to educational attainment for many of our students, and that the pandemic created additional challenges for them.

Is anyone better off?

In 2020-21, 25.7% our learners came from the most deprived areas in NI (Quintile 1) and 13.4% from Quintile 2.

Findings from the DfE Further Education Leavers survey for Belfast Met shows that the median salary for FE Leavers in employment from Quintiles 1 and 2 is £18,001 - £21,000 and £15,001 - £18,000 respectively. Leavers from Quintile 1 have the same median salary for all leavers from the College, whilst those from Quintile 2 have a lower median salary.

Equal opportunities and employment of disabled persons

By virtue of Section 75 of the Northern Ireland Act 1998 Belfast Met in carrying out all its functions, powers and duties is required to have due regard to the need to promote equality of opportunity:

- 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 has had regard to the desirability of 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 disadvantage 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 generated an operating deficit in the year of £8.0m (2019-20 – deficit of £4.8m), stated after accounting for the disposal of property, plant and equipment.

The College group income for the year was £66.8m, an increase of £2.9m (4%) from 2019-20. This variance is explained by a net increase in DfE recurrent funding of £5m, offset by a decrease in Education Contracts and Tuition Fees of £1.1m, Other Grant Income of £0.8m and Other Operating income, £0.2m.

The College group expenditure for the year was £74.8m, an increase of £5.9m (9%) from 2019-20. This variance is explained mainly by increasing staff costs of £4.5m, of which £2.2m related to pension costs.

The College has significant reliance on the DfE for its principal funding source, largely from recurrent grants. In 2020-21, DfE provided 60% of the College's total income through allocated recurrent grant (2019-20 58%). This represented 24.7% of the total recurrent grant available to the sector.

The increase in net assets from 31 July 2020 is primarily the result of the decreased Statement of Financial Position sheet deficit of the NILGOSC pension.

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.

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 £51k in the year (2019-20 surplus £250k).

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 increase in funds of £2k in the year (2019-20 decrease of £33k).

Both subsidiary company accounts were audited and received an unqualified audit opinion for the year-end 31 July 2021.

Financial Resources

The consolidated net assets at 31 July 2021 were £15.4m (2019-20 £8.5m). This includes £35m pension liability (2019-20 £44m), and a debtor of £0.6m on PFI prepayments (2019-20 £0.7m). The reduction in Net Current Liabilities is largely due to a decrease of c£9m in pension liability arising from the latest Actuarial report. LPS have advised that the outbreak of the novel Coronavirus (Covid-19), declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has continued to affect economies and real estate markets globally. As at the valuation date there still is an unprecedented set of circumstances caused by Covid-19 and an absence of relevant/sufficient market evidence on which to base judgements.

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 2020 to 31 July 2021, the college paid 97.5% of its invoices within 30 days (2019-20 96.2%) 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 2020 to 31 July 2021, the college paid 80% of its invoices within 10 days (2019-20 80.4%).

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
1 Bradford Court
Upper Galwally
Belfast, BT8 6RB

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 17 November 2021

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 ¹	Committees Served	Governing Body Attendance (inc Strategic Planning)
F Bryan (Chair)	A 26/10/15 R 26/10/19	25/10/19 25/10/23	BIP	None	6/6
C Burns MBE	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, HR	6/6
K Burns	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, RES	6/6
K Collins	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	ARC	6/6
D Crummey	A 07/06/17	06/06/21(end)	Staff elected	CQE, RES	2/4
S Dawson	A 01/06/17 R 01/06/21	31/05/21 31/05/25	Co-opted	CQE, RES	6/6
J Leaden	A 19/11/20	20/11/24	Staff elected		5/6
W Gillies	A 01/08/11 R 01/08/15 E 01/08/19 E 01/05/20 E 31/01/21 E 01/08/21	31/07/15 31/07/19 30/04/20 31/01/21 01/08/21 31/12/21	BIP	RES	5/6
K Gromek	A 20/10/20	30/06/21	Student elected	CQE, RES	4/5
J McCall	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	ARC, HR	6/6
J McGrillen	A 01/08/11 R 01/08/15 E 01/08/19 E 01/05/20 E 31/01/21 E 31/7/21	31/07/15 31/07/19 30/04/20 31/01/21 31/07/21 31/12/21	BIP	RES	3/6
K O'Hare	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, RES	5/6
S Snodden	A 09/12/15 R 14/12/19	09/12/19 13/12/23	BIP	ARC, HR	6/6
M Walkingshaw	A 28/02/17 E 27/02/21	27/02/21 27/08/21 (end)	Co-opted	ARC, HR	5/6
B Wilson	A 01/08/15 R 01/08/19	31/07/19 31/07/23	BIP	CQE, HR	6/6
L Warde Hunter	L Warde Hunter by virtue of office of Principal and Chief Executive is a member of the Governing Body				6/6

¹ 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 17 November 2021



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:

	2020-21				2019-20			
	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	5-10	0	0	5-10	0-5	0	0	0-5
Kate Burns	0-5	0	0	0-5	5-10	0	0	5-10
Kay Collins	0-5	0	0	0-5	0-5	0	0	0-5
Jim McCall	0-5	0	0	0-5	0-5	0	0	0-5
Kathleen O'Hare	0-5	0	0	0-5	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	0-5	0	0	0-5	0-5	0	0	0-5
Kacper Gromek	0-5	0	0	0-5	0	0	0	0
Maureen Walkingshaw	0	0	0	0	0-5	0	0	0-5
John McGrillen	0	0	0	0	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	2020-21				2019-20			
	Salary £'000	Benefits in kind £'000	Pension benefits £'000*	Total £'000	Salary £'000	Benefits in kind £'000	Pension benefits £'000	Total £'000
L Warde Hunter (Director)	120-125	0	35-40	155 - 160	30-35	0	5-10	35-40
E Hartin (Chief Operating Officer)	90-95	0	45-50	140-145	95-100	0	20-25	120-125
Damian Duffy (Director of Development)	90-95	0	25-30	115-120	95-100	0	30-35	130-135
Jonathan Heggarty (Director of Curriculum)	85-90	0	25-30	110-115	90-95	0	40-45	135-140
Gillian Magee (Director of People Policy & Planning)	85-90	0	30 – 35	115 - 120	90-95	0	50-55	145-150

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.

Relationship between Remuneration of the highest paid Director and median remuneration of workforce (audited)

	2020-21	2019-20
Band of highest paid Director's total remuneration	£120k-£125k	£120k-£125k
Median total remuneration	£33,460	£33,460
Ratio	3.66	3.61

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.

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 31/7/21 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/21	CETV at 31/7/20	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
L Warde Hunter (Director)	0 - 5 plus lump sum of 0	0 - 5 plus lump sum of 0	40 - 45	5 - 10	20-25
E Hartin (Chief Operating Officer)	15-20 plus lump sum of 0	0 to 5 plus lump sum of 0	205-210	165-170	35-40
Damian Duffy (Director of Development)	15-20 plus lump sum of 0	0 to 5 plus lump sum of 0	230-235	200-205	25-30
Jonathan Heggarty (Director of Curriculum)	20-25 plus lump sum of 35-40	0 to 5 plus lump sum of 0 to 5	380-385	350-355	30-35
Gillian Magee (Interim Director of Transition)	25-30 plus lump sum of 15-20	0 to 5 plus lump sum of 0 to 5	335 - 340	305 - 310	20-25

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 1/49th 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 1/60th 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 build up at the rate of 1/80th (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.

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 1/57th. The Scheme is funded by contributions made by both employees and employers. See detail of contributions at 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.



Governing Body

BELFAST METROPOLITAN COLLEGE
STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER AND
GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2021

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 2021

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 2020-21 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 Committee (A&R), 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 2020-21.

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 e.g. as per December 2020 minutes.

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 Committee

The Audit and Risk (A&R) Committee operates as an advisory body to the Governing Body and the Accounting Officer. The A&R Committee 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 A&R Committee met four times during the 2020-21 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 2020-21 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
- A&R Committee effectiveness evaluation.

The Internal Audit Annual report 2020-21 published in September 2021 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.

Progress against plan 2020-21	Report Delivered	Assurance Rating
Accounts Payable	November 2020	Satisfactory
Payroll	March 2020	Satisfactory
Complaints	June 2021	Satisfactory
Human Resources	June 2021	Satisfactory
Cyber Security	June 2021	Satisfactory
Student Retention Numbers	June 2021	Satisfactory

In addition to governors, auditors and DfE representatives, senior officers, namely the Chief Executive, the Director of Corporate Services, the Head of Finance, the Director of People, Policy and Planning and the Head of Strategic Planning were in attendance.

Following each A&R Committee 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 A&R Committee, and the Chairs’ committee also receives reports from the Chairperson of the A&R 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 2020-21, key issues discussed during the year were as follows:

- College Annual Accounts;
- Review of analysis on college income;
- Training 3 Year Plan;
- 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 2020-21, 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 2020-21, 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 ¹	A&R Committee	CQE Committee	HR Committee	RES Committee
F Bryan (Chair)	4/4				
C Burns MBE	4/4		4/5	4/4	
K Burns	4/4		5/5		4/4
K Collins	4/4	4/4			
D Crummey	2/4		4/5		4/4
S Dawson	4/4		0/5		4/4
J Leaden	2/3		4/4		3/3
W Gillies	3/4				4/4
Kacper Gromek	3/4		4/4		4/4
J McCall	4/4	4/4		4/4	
J McGrillen	3/4				1/4
K O'Hare	4/4		5/5		3/4
S Snodden	4/4	4/4		4/4	
M Walkingshaw	2/4	4/4		4/4	
B Wilson	4/4		5/5	4/4	
L Warde Hunter	4/4	4/4	4/5	4/4	4/4

¹ Excludes the two Strategic Planning meetings for Governing Body

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

During 2020-21, the College complied with the principles and supporting provisions set out in the Corporate Governance Code.

The College's Management Structure

The management structure is based on principles of good organisational design and an established structure comprising Directorates led by the Director of Curriculum, the Director of Corporate Services, the Director of Development and the Director of People, Policy and Planning, all reporting to the P&CE. This structure enables a compact Executive Team to exercise strategic and operational oversight on the College by means of 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 2021 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 2021 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 21 data breaches occurred within the College between 1 August 2020 and 31 July 2021, of which 1 was reportable to the Information Commissioner's Office and resolved.

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 Committee and senior management on a quarterly basis. Our Corporate Risk Register records details of all the risks identified for the College including:

- 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).

The most recent review of our Corporate Risk Register was undertaken in October 2020. This register contained 14 corporate risks that may prevent the College from achieving the aims and objectives set out in the Corporate Plan. Where possible the risks are eliminated, but where this is not possible, actions are taken to ensure these risks are controlled and the likelihood of them being realised are reduced as far as is reasonably practical. The risks which have been classified as of significant concern (i.e residual risk remains high despite mitigation measures) are: -

- Learner retention rates are negatively affected by Covid-19, impacting upon achievement and success of learners and College inability to meet CDP targets; and
- College suffers major cyber incident (e.g. Ransomware)

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

17 November 2021

Accounting Officer



**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 for the year ended 31 July 2021 under the Further Education (Northern Ireland) Order 1997 as amended by the Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Consolidated Statement of Comprehensive Income and Expenditure, Consolidated Statement of Changes in Reserves, Statement of Financial Position, Consolidated Statement of Cash Flows and the related notes including significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. 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 Belfast Metropolitan College's affairs as at 31 July 2021 and of its deficit for the year then ended;
- have been properly prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and
- have been prepared in accordance with the Further Education (Northern Ireland) Order 1997 as amended by the 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 of Public Sector Entities 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 of the Financial Reporting Council's Revised Ethical Standard 2019, 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 the 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.

The going concern basis of accounting for Belfast Metropolitan College is adopted in consideration of the requirements set out in the Government Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

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 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 the Belfast Metropolitan College and its environment obtained in the course of the audit, I have not identified material misstatements in the Strategic Report and the 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 Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008; and
- the information given in the Strategic Report and 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
- 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 the 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 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 the 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;
- 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;
- 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;
- 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; and
- 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;

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. 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.

A handwritten signature in black ink, appearing to read 'K J Donnelly', with a stylized flourish at the end.

KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

1 Bradford Court

Galwally

BELFAST

BT8 6RB

26 November 2021

BELFAST METROPOLITAN COLLEGE
CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2020 £'000
INCOME			
Department for the Economy income	1	54,638	49,603
Education contracts	2	524	751
Tuition fees and charges	3	7,818	8,689
Other grant income	4	2,862	3,711
Other operating income	5	987	1,171
Investment income	6	0	0
Total income		66,829	63,925
EXPENDITURE			
Staff costs	7	45,417	40,812
Other operating expenses	9	24,343	22,822
Depreciation	12	4,459	4,328
Interest and other finance costs	10	601	444
Holiday pay provision	26	0	399
Total expenditure		74,820	68,805
Surplus/(deficit) before other gains/losses		(7,991)	(4,880)
Gain/(loss) on disposal of assets		0	38
(Loss)/gain on investments		0	0
Surplus/(deficit) before tax		(7,991)	(4,842)
Taxation		0	0
Surplus/(deficit) for the year		(7,991)	(4,842)
Other Comprehensive Income			
Unrealised surplus on revaluation of land and buildings		769	2,052
Actuarial (loss)/gain in respect of pension scheme		14,142	(19,679)
Change in fair value of endowments		0	0
Total comprehensive income for the year		6,920	(22,469)
Represented by:			
Endowment comprehensive income for the year		0	0
Restricted comprehensive income for the year		0	0
Unrestricted comprehensive income for the year		6,920	(22,469)

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 2021**

GROUP	Income and expenditure account			Revaluation reserve	Total excluding Non Controlling Interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted				
	£'000	£'000	£'000				
Balance at 1 August 2019	208	0	(23,949)	54,703	0	0	30,962
Surplus/(deficit) from income and expenditure statement	0	0	(4,842)	0	0	0	(4,842)
Other comprehensive income	0	0	(19,679)	2,052	0	0	(17,627)
Transfers between revaluation and income and expenditure	0	0	0	0	0	0	0
Transfer due to endowment asset investment	(33)	0	33	0	0	0	0
Balance at 1 August 2020	175	0	(48,437)	56,755	0	0	8,493
Surplus/(deficit) from income and expenditure statement	0	0	(7,991)	0	0	0	(7,991)
Other comprehensive income	0	0	14,142	769	0	0	14,911
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
Total comprehensive income for the year	2	0	6,149	769	0	0	6,920
Balance at 31 July 2021	177	0	(42,288)	57,524	0	0	15,413

BELFAST METROPOLITAN COLLEGE
COLLEGE STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2021

2020-21

COLLEGE	Income and expenditure account			Revaluation reserve	Total excluding Non Controlling Interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019	0	0	(24,260)	53,057	0	0	28,797
Surplus/(deficit) from income and expenditure statement	0	0	(5,061)	0	0	0	(5,061)
Other comprehensive income	0	0	(19,679)	2,209	0	0	(17,470)
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
Balance at 1 August 2020	0	0	(49,000)	55,266	0	0	6,266
Surplus/(deficit) from income and expenditure statement	0	0	(7,942)	0	0	0	(7,942)
Other comprehensive income	0	0	14,142	769	0	0	14,911
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
Total comprehensive income for the year	0	0	6,200	769	0	0	6,969
Balance at 31 July 2021	0	0	(42,744)	56,035	0	0	13,235

BELFAST METROPOLITAN COLLEGE
STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021

	Notes	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Non Current Assets					
Property, Plant and Equipment	12	111,613	109,177	112,380	109,925
Intangible assets	13	405	405	407	407
Endowment assets	20	177	0	175	0
		112,195	109,582	112,962	110,332
Current assets					
Trade and other receivables	17	4,573	4,613	3,524	3,533
Cash and cash equivalents	21	7,400	7,396	5,666	5,664
Total current assets		11,973	12,009	9,190	9,197
Less: Creditors – amounts falling due within one year	18	20,125	20,105	15,543	15,526
Net current (liabilities)/ assets		(8,152)	(8,096)	(6,353)	(6,329)
Total assets less current liabilities		104,043	101,486	106,609	104,003
Less: Creditors – amounts falling due after more than one year	19	52,886	52,507	53,627	53,248
Provisions:					
Pension provisions	22	35,433	35,433	44,090	44,090
Other provisions	26	311	311	399	399
Net assets including pension liability		15,413	13,235	8,493	6,266
Restricted Reserves					
Income and expenditure account –restricted reserve		0	0	0	0
Unrestricted Reserves					
Income and expenditure – unrestricted reserves		(42,288)	(42,800)	(48,437)	(49,000)
Endowment reserves	20	177	0	175	0
Revaluation reserve		57,524	56,035	56,755	55,266
Total reserves		15,413	13,235	8,493	6,266
Total		15,413	13,235	8,493	6,266

The financial statements on pages 48 to 81 were approved by the Governing Body of Belfast Metropolitan College on 17 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 2021**

	Notes	2021 £'000	2020 £'000
Cash inflow/(outflow) from operating activities			
Deficit for the year		(7,991)	(4,842)
Adjustment for non-cash items			
Depreciation	12	4,459	4,328
Deferred capital grant released to income	1	(1,736)	(1,626)
Decrease/(increase) in receivables	17	(1,049)	905
Increase/(decrease) in creditors	18	5,515	1,695
Increase/(decrease) in pension provision	22	5,485	3,042
Increase/(decrease) in other provisions		(88)	399
Adjustment for investing or financing activities		0	0
Investment income	6	0	0
Profit on sale of property, plant and equipment		0	(38)
Net cash inflow from operating activities		4,595	3,863
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		0	38
Proceeds from sales of intangible assets		0	0
Deferred capital grants received		2,102	841
Investment income	6		0
Payments made to acquire property, plant and equipment		(2,359)	(870)
Payments made to acquire intangible assets		0	0
New non-current asset investments		0	0
Movement in endowment reserve	20	(2)	33
Net cash (outflow)/inflow from investing activities		(259)	42
Cash inflows from financing activities			
Capital and interest elements of PFI lease rental payments		(2,602)	(2,282)
Interest paid		0	0
Net cash (outflow) from financing activities		(2,602)	(2,282)
Increase/(Decrease) in cash and cash equivalents in the year			
Net funds at 1 August		5,666	4,043
Net funds at 31 July		7,400	5,666

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 2021

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 2021.

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, 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 2021.

- **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 2021. 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

	2021 £'000	2020 £'000
Grant In Aid Received from DfE		
Recurrent grant	40,320	36,835
Release of deferred capital grants	1,736	1,626
Additional Support funds	589	529
Students with Learning Difficulties and/or Disabilities (SLDD)	481	461
Innovation Fund	279	227
Private Finance Initiative (PFI)/ Public Private Partnership (PPP)	6,610	6,596
Skills Focus	0	0
Other	1,312	346
Grant In Aid Items	<u>51,327</u>	<u>46,620</u>
Non-Grant in Aid received from DfE		
Education Maintenance Allowance administration	18	16
Assured Skills	907	703
Youth Training	1,180	1,221
Higher Level Apprenticeships	574	332
Level 3 Apprenticeships	632	711
Other	0	0
Non-grant in aid items	<u>3,311</u>	<u>2,983</u>
Total DfE income	<u>54,638</u>	<u>49,603</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:

	2021 £'000	2020 £'000
Innovation Fund	<u>279</u>	<u>227</u>
Net income	<u><u>279</u></u>	<u><u>227</u></u>

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

	2021 £'000	2020 £'000
Entitlement Framework	152	177
Training for Success	372	574
Total	524	751

3. TUITION FEES AND CHARGES

	2021 £'000	2020 £'000
Higher Education (HE) income	3,851	4,561
Home and other European Union	3,958	4,060
Non-European Union	9	68
Total	7,818	8,689

Tuition fees funded by bursaries

Included within the above amounts are amounts which fund bursaries of £35,374 (2020: £16,631).

4. OTHER GRANT INCOME

	2021 £'000	2020 £'000
European funds	2,647	3,462
Other funds	215	249
Total	2,862	3,711

5. OTHER OPERATING INCOME

	2021 £'000	2020 £'000
Catering and residence operations	8	34
Other income generating activities	494	686
Other income	485	451
Total	987	1,171

6. INVESTMENT INCOME

	2021 £'000	2020 £'000
Other investment income	0	0
Other interest receivable	0	0
Total	0	0

NOTES TO THE FINANCIAL STATEMENTS (continued)**7. STAFF COSTS**

The average number of persons (including senior post-holders) employed by the college during the year, expressed as full-time equivalents was:

	2021	2020
	No.	No.
Governing body	0	0
Teaching	386	388
Support	155	151
Administration	257	249
Premises	38	33
	<u> </u>	<u> </u>
Total	<u>836</u>	<u>821</u>

Staff costs for the above persons

	2021	2020
	£'000	£'000
Governing body	53	58
Teaching	20,125	19,166
Support	5,880	5,273
Administration	12,906	12,298
FRS 102 adjustment (see note 22)	4,884	2,598
Premises	1,569	1,419
	<u> </u>	<u> </u>
Total	<u>45,417</u>	<u>40,812</u>
Wages and salaries	31,658	29,811
Social security costs	2,715	2,510
Movement in pension	0	0
Other pension costs	11,044	8,491
	<u> </u>	<u> </u>
Total	<u>45,417</u>	<u>40,812</u>

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	
	2021	2020	2021	2020
	No.	No.	No.	No.
£60,001 to £70,000	0	0	22	14
£70,001 to £80,000	0	0	19	16
£80,001 to £90,000	0	1	1	0
£90,001 to £100,000	0	1	0	0
£100,001 to £110,000	1	1	0	0
£110,001 to £120,000	3	1	0	0
£120,001 to £130,000	0	1	0	0
£130,001 to £140,000	0	0	0	0
£140,001 to £150,000	0	0	0	0
£150,001 to £160,000	1	0	0	0
	<u>5</u>	<u>5</u>	<u>42</u>	<u>30</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.

	2021	2020
	No.	No.
The number of senior post-holders including the Principal was:	<u>5</u>	<u>5</u>
Senior post-holders' emoluments are made up as follows:		
	2021	2020
	£'000	£'000
Salaries	483	589
Pension contributions	<u>114</u>	<u>111</u>
Total emoluments	<u>597</u>	<u>700</u>

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

	2021	2020
	£'000	£'000
Salaries	122	130
Pension contributions	<u>29</u>	<u>6</u>
Total	<u>151</u>	<u>136</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

	2021 £'000	2020 £'000
Direct Teaching	847	613
Direct Support	4,293	3,931
Administration	5,097	5,151
Consultancy Fees	185	187
Premises	5,725	4,517
Unitary payments under PFI contract	5,330	5,405
Interest element of finance lease	2,866	3,018
Total	24,343	22,822

Other operating expenses include:

	2021 £'000	2020 £'000
Auditors' remuneration:		
Financial statements audit (includes £27,500 in respect of the college – 2019-20 £26,250)	27	26
Internal audit (includes £24,625 in respect of the college – 2019-20 £17,867)	25	18
Hire of plant and machinery – operating leases	212	245

10. INTEREST AND OTHER FINANCE COSTS

	2021 £'000	2020 £'000
On bank loans, overdrafts and other loans	0	0
	0	0
On finance leases	0	0
Net charge on pension scheme	601	444
Total	601	444

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 2020-21.

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
Cost or valuation							
At 1 August 2020	32,405	77,749	5,740	4,846	276	248	121,264
Additions	0	562	2,033	271	18	20	2,904
Impairment	0	0	0	0	0	0	0
Surplus/(deficit) on revaluation	185	584	0	0	0	0	769
Disposals	0	0	0	0	0	0	0
At 31 July 2021	32,590	78,895	7,773	5,117	294	268	124,937
Depreciation							
At 1 August 2020	0	0	4,168	4,299	181	236	8,884
Charge for the year	809	2,472	846	278	29	6	4,440
Revaluation	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	0	0
At 31 July 2021	809	2,472	5,014	4,577	210	242	13,324
Net book value at 31 July 2021	31,781	76,423	2,759	540	84	26	111,613
Net book value at 31 July 2020	32,405	77,749	1,572	547	95	12	112,380

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
Cost or valuation							
At 1 August 2020	29,950	77,750	5,592	4,846	276	248	118,662
Additions	0	562	2,033	271	18	20	2,904
Surplus/(deficit) on revaluation	185	584	0	0	0	0	769
Disposals	0	0	0	0	0	0	0
At 31 July 2021	30,135	78,896	7,625	5,117	294	268	122,335
Depreciation							
At 1 August 2020	0	0	4,021	4,299	181	236	8,737
Charge for the year	789	2,473	846	278	29	6	4,421
Revaluation	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	0	0
At 31 July 2021	789	2,473	4,867	4,577	210	242	13,158
Net book value at 31 July 2021	29,346	76,423	2,758	540	84	26	109,177
Net book value at 31 July 2020	29,950	77,750	1,571	547	95	12	109,925

Land and buildings were last subject to a full revaluation at 31 July 2017 on a depreciated replacement cost basis, an interim valuation was undertaken as at 31st July 2020. The valuations were performed independently by the Land and Property Service (LPS). Subsequently that revaluation was updated using indices supplied by the Land and Property Service to provide valuations as at 31 July 2021.

LPS have advised that the outbreak of the novel Coronavirus (Covid-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has continued to affect economies and real estate markets globally. As at the valuation date there still is an unprecedented set of circumstances caused by Covid-19 and an absence of relevant/sufficient market evidence on which to base judgements. The indices on this reduced basket of evidence have shown that transactions are taking place this year at levels similar to those previous to March 2020.

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:

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

The net book value of property, plant and equipment includes an amount of £76,423k (2020: £77,750k) in respect of assets held under finance leases.

	2021	2020
	£'000	£'000
The depreciation charge for the year is analysed as follows:		
Owned assets	1,967	1,866
Assets held under finance leases and hire purchase arrangements	2,473	2,448

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

	Intangible Asset £'000	TOTAL £'000
Cost or valuation		
At 1 August 2020	407	407
Additions	17	17
Disposals	<u>0</u>	<u>0</u>
At 31 July 2021	<u>424</u>	<u>424</u>
Depreciation		
At 1 August 2020	0	0
Charge for the year	19	19
Elimination in respect of disposals	<u>0</u>	<u>0</u>
At 31 July 2021	<u>19</u>	<u>19</u>
Net book value at 31 July 2021	<u>405</u>	<u>405</u>
Net book value at 31 July 2020	<u>407</u>	<u>407</u>

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 2021 is £76,423k (2020: £77,750k). The decrease of £1,327k is due to depreciation being greater 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 2021 were £28,570k (2020: £30,610k). The sum of £2,040k was repaid during the year.

Future Commitments

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

	Payable in 1 year	Payable 2-5 years	Payable >5 years	Total
Liability repayments	811	10,028	17,731	28,570
Finance charge	2,761	9,259	9,279	21,299
	3,572	19,287	27,010	49,869

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

	Group	College	Group	College
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	1,019	993	382	366
Amounts owed by group undertakings:				
Subsidiary undertakings	0	107	0	25
Advance payments in respect of PFI contracts	620	620	724	724
Amounts due from Department	309	309	0	0
Prepayments and accrued income	<u>2,625</u>	<u>2,584</u>	<u>2,418</u>	<u>2,418</u>
Total receivables	<u>4,573</u>	<u>4,613</u>	<u>3,524</u>	<u>3,533</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)**18. CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR**

	Group	College	Group	College
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Service concession arrangements	811	811	2,040	2,040
Payments received in advance	9,244	9,241	5,468	5,466
Trade payables	39	37	2	2
Amounts owed to group undertakings:				
Subsidiary undertakings	0	0	0	0
Taxation and social security	1,503	1,505	1,334	1,342
Accruals and deferred income	7,889	7,872	6,506	6,483
Other payables	5	5	3	3
Amounts owed to the Department	634	634	190	190
Total	<u>20,125</u>	<u>20,105</u>	<u>15,543</u>	<u>15,526</u>

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.

	Group	College	Group	College
	2021	2021	2020	2020
	£'000	£'000	£'000	£'000
Donations	0	0	0	0
Grant income	1,744	1,734	1,448	1,440
Other income	0	0	0	0
	<u>1,744</u>	<u>1,734</u>	<u>1,448</u>	<u>1,440</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2021 £'000	College 2021 £'000	Group 2020 £'000	College 2020 £'000
Deferred income	25,127	24,748	25,057	24,678
Service concession liabilities due after one year	<u>27,759</u>	<u>27,759</u>	<u>28,570</u>	<u>28,570</u>
Total creditors after one year	<u>52,886</u>	<u>52,507</u>	<u>53,627</u>	<u>53,248</u>

20. ENDOWMENT RESERVES

	Restricted permanent £'000	Unrestricted permanent £'000	Expendable endowments £'000	2021 Total £'000	2020 Total £'000
At 1 August	0	175	0	175	208
Capital					
Accumulated income	0	175	0	175	208
New endowments	0	0	0	0	0
Income for year	0	13	0	13	2
Expenditure for year	0	(36)	0	(36)	(34)
(Decrease)/increase in market value of investments	0	25	0	25	(1)
At 31 July	<u>0</u>	<u>177</u>	<u>0</u>	<u>177</u>	<u>175</u>

21. CASH AND CASH EQUIVALENTS

	As 1 August 2020 £'000	Cash Flows £'000	At 31 July 2021 £'000
Cash and Cash equivalents at 31 July	<u>5,666</u>	<u>1,734</u>	<u>7,400</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

	2021	2020
	£'000	£'000
NITPS: contributions paid	3,700	3,633
NILGOSC: contributions paid	2,435	2,234
NILGOSC: FRS 102 (28) adjustments	4,884	2,598
NEST: contributions paid	25	26
Charge to the Consolidated Statement of Comprehensive Income (staff costs)	11,044	8,491
Enhanced pension charge to the Consolidated Statement of Comprehensive Income (staff costs)	0	0
Total pension cost for the year	11,044	8,491

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.

The Public Service Pensions Act (Northern Ireland) 2014 provided for the closure of existing public sector pension schemes (including the NITPS) from 31st 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:

Salary	Member contribution rate
Up to £15,000	5.5%
£15,001 to £23,000	5.8%
£23,001 to £38,400	6.5%
£38,401 to £46,600	6.8%
£46,601 to £92,300	8.5%
£92,301 and above	10.5%

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.

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 2021 by a qualified actuary.

Principal actuarial assumptions

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

	At 31 July 2021	At 31 July 2020
Rate of increase in salaries	4.1%	3.8%
Rate of increase for pensions in payment/inflation	2.6%	2.3%
Discount rate for scheme liabilities	1.7%	1.4%
Inflation assumption (CPI)	2.6%	2.3%

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 2021	At 31 July 2020
<i>Retiring today</i>		
Males	21.9	21.8
Females	25.1	25.0
<i>Retiring in 20 years</i>		
Males	23.3	23.2
Females	26.5	26.4

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 2021	Value at 31 July 2021 £'000	Long-term rate of return expected at 31 July 2020	Value at 31 July 2020 £'000
Equities	43.2%	39,983	42.7%	33,097
Bonds	40%	37,021	38.7%	29,996
Property	8.9%	8,237	9.3%	7,209
Cash and other	7.9%	7,312	9.3%	7,209
Total		92,553		77,511

Amounts recognised in the Statement of Financial Position

	2021 £'000	2020 £'000
Scheme assets	92,553	77,511
Scheme liabilities	(127,986)	(121,601)
Deficit in the scheme (net pension liability recorded within pension provisions)	(35,433)	(44,090)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2021 £'000	2020 £'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	7,387	4,958
Past service cost (obligation based on court rulings)	<u>0</u>	<u>0</u>
Total	7,387	4,958
Analysis of pension finance income/(costs)		
	2021 £'000	2020 £'000
Expected return on pension scheme assets	1,095	1,652
Interest cost	(1,696)	(2,096)
Interest on net deficit	<u>0</u>	<u>0</u>
Net charge to other finance costs	(601)	(444)
Analysis of Other Comprehensive Income for pensions		
	2021 £'000	2020 £'000
Actuarial gains on pension scheme assets	12,534	191
Actuarial gains/losses on scheme liabilities	1,608	(19,870)
Past service credit arising on change of pension increase assumption in year	<u>0</u>	<u>0</u>
Total Other Comprehensive Income	14,142	(19,679)
Movement in surplus/(deficit) during the year		
	2021 £'000	2020 £'000
Surplus/(deficit) in scheme at 1 August	(44,090)	(21,369)
Movement in the year:		
Employer service cost (net of employee contributions)	(7,387)	(4,958)
Employer contributions	2,503	2,360
Past service cost	0	0
Net interest/return on assets	(601)	(444)
Actuarial gain or loss recognised in Other Comprehensive Income	<u>14,142</u>	<u>(19,679)</u>
Surplus/(deficit) in scheme at 31 July	(35,433)	(44,090)

NOTES TO THE FINANCIAL STATEMENTS (continued)

Asset and liability reconciliation

	2021 £'000	2020 £'000
Reconciliation of liabilities		
Liabilities at start of period	121,601	95,813
Service cost	7,387	4,958
Interest cost	1,696	2,096
Employee contributions	820	728
Experience gains and losses on scheme liabilities	0	0
Actuarial (gain)/loss	(1,608)	19,870
Benefits paid	(1,910)	(1,864)
Past service cost	0	0
Curtailments and settlements	0	0
	<u>127,986</u>	<u>121,601</u>
Liabilities at end of period		
Reconciliation of assets		
Assets at start of period	77,511	74,444
Expected return on assets	1,095	1,652
Actuarial gain/(loss)	12,534	191
Employer contributions	2,503	2,360
Employee contributions	820	728
Benefits paid	(1,910)	(1,864)
	<u>92,553</u>	<u>77,511</u>
Assets at end of period		

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**

Details of events after the end of the reporting period are given in the report of the members of the governing body.

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:

	Group and College	
	2021	2020
	£'000	£'000
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
Total	0	0
Other		
Expiring within one year	116	125
Expiring within two and five years inclusive	342	409
Expiring in over five years	0	49
Total	458	583

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. PROVISIONS FOR LIABILITIES AND CHARGES

	Litigation	Holiday	Total
	£'000	Pay	£'000
		£'000	
At 1 August 2020	0	399	399
Expenditure in the period	0	0	0
Additions in 2020-21	0	0	0
Unused amounts reversed	<u>0</u>	<u>(88)</u>	<u>(88)</u>
At 31 July 2021	<u>0</u>	<u>311</u>	<u>311</u>

The Court of Appeal (CoA) judgment from 17 June 2019 (PSNI v Agnew) determined that claims for Holiday Pay shortfall can be taken back to 1998. However, the PSNI has appealed the CoA judgment to the Supreme Court. The Supreme Court hearing was scheduled for the 23 and 24 June 2021 but this was subsequently adjourned.

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;
6. The provision includes a pension element which is based on formulae provided by the Government Actuary's Department (GAD) with a variable capitalisation factor (CF). The CF used for these calculations is 12 which is based on the commutation value currently used in public section pensions. This is subject to change as the calculations have not been agreed with Trade Unions.

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*) 2021 £'000	Transactions (AP/AR) 2020 £'000	Amount outstanding to BMC at 31 July 2021 £'000	Amount outstanding to BMC at 31 July 2020 £'000
Kay Collins	G McG Belfast Limited	Nominated to Belfast Met by BELB	0 & 1	0 & 1	0	0
Jim McCall	NI Water	Non-Executive Director	73 & 9	98 & 1	1	0
	NIHSCT	Non-Executive Director	0 & 0	0 & 0	0	0
	NI Housing Executive	Non-Executive Director	33 & 3	38 & 9	3	0
Wendy Gillies	Odyssey Trust Company	Head of Social Affairs	0 & 0	0 & 2	0	0
	Belfast City Council	Programme Director	69 & 61	16 & 1	0	0
Kathleen O'Hare	CCEA	Member	18 & 0	86 & 33	0	0
Maureen Walkingshaw	British Telecom	Former Employee	3,029 & 0	1,371 & 0	0	0
Brian Wilson	British Council	Employee	0 & 0	1 & 36	0	0
	CCEA	Member	18 & 0	86 & 33	0	0
Senior Manager						
Marie-Therese McGivern	Bombardier PLC	Non-Executive Director	0 & 0	0 & 50	0	45
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

	2021 £'000	2020 £'000
DfE Grants	634	636
Balance unspent in prior year	190	0
	824	636
Disbursed to students	(543)	(446)
Balance unspent at 31 July	281	190

Care to Learn

	2021 £'000	2020 £'000
DfE Grants	19	25
Interest earned	0	0
	19	25
Disbursed to students	(19)	(25)
Audit fees	0	0
Balance unspent at 31 July	0	0

HE Covid Disruption Payments

	2021 £'000	2020 £'000
DfE Grants	683	0
Interest earned	0	0
	683	0
Disbursed to students	(572)	0
Admin fees	(57)	0
Balance unspent at 31 July	54	0

29. LOSSES AND SPECIAL PAYMENTS

In the period 1 August 2020 to 31 July 2021 there were no losses or special payments made and bad debts totalling £77,032 were written off, which were mainly student debts. (2019-20 Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)**30. 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	2021 £'000	2020 £'000
INCOME			
DfE income (non grant-in-aid items)	1	3,311	2,983
Education contracts	2	524	751
Tuition fees and charges	3	7,818	8,689
Other grant income	4	2,862	3,711
Other operating income	5	987	1,171
Endowment and investment income		0	0
Profit on disposal of assets		0	38
Total incoming resources		15,502	17,343
EXPENDITURE			
Staff costs	7	45,417	40,812
Other operating expenses	9	24,343	22,822
Depreciation	12	4,459	4,328
Interest and other finance costs	10	601	444
Holiday Pay Provision	26	0	399
Total resources expended		(74,820)	(68,805)
Net deficit for the year		(59,318)	(51,462)
Unrealised surplus on revaluation of land and buildings		769	2,052
Actuarial (loss)/gain in respect of pension scheme		14,142	(19,679)
Transfer due to endowment asset investments		0	0
Amount transferred to reserves		(44,407)	(69,089)
Analysis of reserves prepared under FReM			
		2021	2020
		£'000	£'000
Balance at 1 August		8,493	30,962
Grant-in-aid received in year		51,327	46,620
Net operating cost for year [<i>amount transferred to reserves</i>]		(44,407)	(69,089)
Balance at 31 July		15,413	8,493

NOTES TO THE FINANCIAL STATEMENTS (continued)

DATE OF AUTHORISATION FOR ISSUE

The Accounting Officer authorised the issue of these financial statements on 17 November 2021.

