



Annual Report

and Financial Statements

2017
18

Belfast Metropolitan College
Annual Report and Accounts
For the year ended 31 July 2018

*The Accounting Officer authorised these
financial statements for issue*

on

19 November 2018

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by the Department for the Economy*

on

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Belfast Metropolitan College
Annual Report and Financial Statements
For the year ended 31 July 2018

Contents

FOREWORD BY CHAIR OF GOVERNING BODY	5
PRINCIPAL AND CHIEF EXECUTIVE MESSAGE	7
STRATEGIC REPORT 2017/18	9
REMUNERATION REPORT	36
STATEMENT OF THE RESPONSIBILITIES OF THE GOVERNING BODY	42
STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL.....	43
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY	50
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE ...	53
CONSOLIDATED STATEMENT OF CHANGES IN RESERVES	54
COLLEGE STATEMENT OF CHANGES IN RESERVES	55
BALANCE SHEET AS AT 31 JULY 2018	56
CONSOLIDATED CASH FLOW STATEMENT	58
STATEMENT OF ACCOUNTING POLICIES	59
NOTES TO THE FINANCIAL STATEMENTS	64

Foreword

By Chair of Governing Body

FOREWORD BY CHAIR OF GOVERNING BODY



Looking back at the achievements and challenges of the past year, what strikes me most is Belfast Met's resilience and unrelenting focus on delivering its dual mandate of economic development and social inclusion – a mandate which serves to transform the lives of our learners.

Such transformations take many different forms. Whether it's building the skills, confidence and self-esteem of a Syrian refugee, changing the life of a graduate through one of the Department's hugely successful Assured Skills programmes, or providing business support to a budding entrepreneur, Belfast Met makes a real impact, and that impact feeds into the wider social and economic success of the city itself, and beyond.

The headwinds as predicted last year did, of course, materialise. Yet while the problems posed by the political vacuum, policy stalemate and budget uncertainty have proven difficult, they were not insurmountable. A combination of strong executive leadership, the determination and passion of our staff, together with a committed and supportive Governing Body, have resulted in another highly successful year.

To my mind, one of the most rewarding aspects of this success was to see our learners and staff being recognised and celebrated for their many achievements. Yet again, Belfast Met has shown itself to be an "Award Winning College" with figures for 2017/18 standing at an impressive 68 students, 14 staff and 9 corporate awards.

Alongside such awards sits a broader range of achievements. For example, leading the sector in Essential Skills provision – and indeed delivering target-beating performance across a number of areas – becoming the first Northern Ireland College to be awarded accreditation by the Open University (OU), undergoing a rigorous and successful inspection of our HE provision by the QAA (Quality Assurance Agency), being designated as the lead Digital ICT Hub within the sector and acting as principal college in "Futures" (an EU PEACE IV project to improve the lives of marginalised young people).

Looking forward, I have no doubt that the challenges faced in 2017/18 will continue to test us. Indeed, I believe they will become even greater. However, I am also confident that Belfast Met is well placed to grasp the opportunities that lie ahead and deliver against our dual mandate.

Take for example the potential offered by the Belfast Region City Deal. Skills, underpinned by a commitment to improving employment opportunities, were identified as one of the key pillars upon which the City Deal will be built. It was fantastic to see staff in Belfast Met make a significant contribution by leading on the central development of a very detailed and ambitious Skills and Employability Proposition.

Finally, I want to thank Belfast Met's Executive Team, staff, my fellow governors, business partners and, not least of all, its learners; our success is a team effort! It fills me with enormous pride to know that our strapline of "Leading the City to Work" resonates as strongly as ever.

A handwritten signature in cursive script that reads "Frank Bryan". The ink is dark and the signature is written in a fluid, personal style.

Belfast Metropolitan College
Chair of Governing Body

Principal and Chief Executive Message

PRINCIPAL AND CHIEF EXECUTIVE MESSAGE



This has been another successful year for Belfast Met and one in which we have continued progress in achieving the strategic aims and objectives contained in our 2016–2020 *Leading the City to Work* Corporate Plan.

We have managed to sustain our steady upward trajectory in terms of performance and, in fact, are leading the sector across a number of key areas. Our Essential Skills team deserve special mention for their dedication, hard work and sheer tenacity in seeking to provide our students with the very best teaching and learning experience. Their efforts have resulted in a remarkable turnaround whereby our provision has moved from bottom of the sector to the very top. This team's deeply collaborative and ambitious approach is in many ways typical of the new, emerging culture within our College. A culture that is being shaped and defined by our four core values of Collaboration, Ambition, Respect and Excellence.

This document contains references to other equally impressive highlights from the 2017 / 2018 academic year. This includes, for example, a successful inspection by QAA (Quality Assurance Agency), becoming the first College in Northern Ireland to achieve institutional approval by the Open University (OU) and proudly supporting the Department's drive to ensure greater collaboration among the six Colleges of further and higher education by leading on the development of an overarching corporate plan. Such collaboration presents wonderful opportunities to strengthen the sector's contribution and we are particularly excited about taking forward our role as the Curriculum Hub for Digital ICT.

One of the things that gives me greatest pleasure is to see our learners rewarded for their skills and their talents and knowing the role staff have played in helping them flourish and achieve their potential. This is perhaps most apparent in the sheer number and range of both student and staff awards the College has amassed this year. The total for the year stands at an impressive 68 student awards, 14 staff and 9 corporate.

We have continued building our reputation this year and are now firmly embedded in Belfast City Council's ambitions and plans for the city. The City Deal in particular offers tremendous potential and we are playing a full and active part in helping to develop a strong Belfast City Region City Deal proposition.

On reflection, 2017 / 2018 has been a good year and, in fact, in many ways it has been a great year. However, it's also been a challenging one and we have certainly faced some very testing times. As always, Belfast Met has risen to the challenge and that's down to the hard work of staff, their commitment to putting our learners first, as well as our razor sharp focus on delivering our dual mandate of economic development and social inclusion.

I am both confident and optimistic that the 2018 / 2019 academic year will see Belfast Met edge ever closer to its vision of becoming "... a world-class College that nurtures the talent and ambition of the city of Belfast and beyond."

A handwritten signature in dark ink, reading "Marie-Thérèse McGivern". The signature is written in a cursive, flowing style.

Marie-Thérèse McGivern
Principal and Chief Executive

Strategic Report
2017/18

BELFAST METROPOLITAN COLLEGE STRATEGIC REPORT 2017/18

NATURE, OBJECTIVES AND STRATEGIES

The Governing Body members present their report and the audited financial statements for the year ended 31 July 2018.

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.

Colleges have been granted charitable status by the UK HM Revenue and Customs.

Mission statement

Governors of the College adopted the following mission statement in 2016/17 which is the essence of our 2016–2020 *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.”

With this mission, we seek to positively change people’s lives by providing high quality, accessible and relevant skills, education and training which tackles disadvantage and drives economic growth.

Corporate and Business Planning

Belfast Metropolitan College’s (Belfast Met’s) Corporate Plan sets out the strategic direction for the period 2016–2020. The plan contains a vision, a mission and a set of four core values – Collaboration, Ambition, Respect and Excellence – that guide our approach as we work to achieve our vision of becoming a “world-class college that nurtures the talent and ambition of the city of Belfast and beyond”.

The College has identified four strategic aims, which provide the foundation upon which we will strengthen our position as a key partner in the success of the city of Belfast and the wider region. Each aim is supported by a set of strategic objectives.

Strategic Aims

1. Determined Relevance
2. Valued Reputation
3. Agile Response
4. Distinctive Reach

Our strategic aims and objectives direct and focus our actions and priorities for the lifetime of the plan. Key achievements for the 2017-18 academic year are noted in this section.

Strategic Aim 1: DETERMINED RELEVANCE

Relevancy sits at the heart of Belfast Met's ambition and plans. The College was founded specifically to meet the skills needs of a thriving, twentieth-century city and it is the ability to keep pace with the changing and increasingly diverse skills demand that still sets us apart today. Over the course of the next four years, we will pursue relevancy with commitment and determination.

Strategic Objectives

- 1.1 Maximise student attainment and employability by enabling individuals to achieve their full potential.
- 1.2 Invest in our people and infrastructure, ensuring staff are equipped with the knowledge and expertise to deliver excellence in teaching and learning, and that we have the capacity and resources to succeed.
- 1.3 Ensure deep-rooted connections with local, national and international employers, working with them to define their needs designing, and delivering the most relevant and effective skills solutions.
- 1.4 Work with local communities to develop knowledge and skills, build confidence and self-esteem and provide opportunities that help put people on a pathway into further training or employment.

Key achievements

- Record numbers through the doors at a number of Open Days hosted during 2017/18 highlighted a series of successful recruitment campaigns for Belfast Met.
- We worked in conjunction with key stakeholders such Department for the Economy, Belfast City Council, employers and community organisations, to develop and implement strategies to reduce economic inactivity through skills, training, incentives and job creation:
 - Placing greater focus on adult education going forward.
 - Developing and implementing tailored interventions with employers.
 - Forecasting labour market needs and working closely with sector skills councils and industry bodies to ensure we achieve our economic ambitions.
- We ensured that all learners had access to the same quality of support services and teaching and learning that ensured they would have an equal chance of a successful outcome.
- The College became the first in Northern Ireland to gain Institutional Approval with the Open University. Three new Higher Education programmes have been successfully validated, two in IT and one in fashion management, and will be offered in September 2018.
- The longest serving members of Belfast Met were recognised at a special awards ceremony in April 2018 at the e3 campus. The Length of Service Awards recognised staff with 25+ years' service and demonstrated how much their service and contributions are valued and appreciated.
- On Thursday 31 May our 2018 Staff Care Awards Evening Celebration event took place. The event was an opportunity to celebrate the amazing work of our staff, with the announcement of winners and runners-up who exemplified our four core values of Collaboration, Ambition,

Respect and Excellence. The overall winner of the 'Paul O'Connor Spirit of the Met' award was William Artt, Part-time Lecturer in Gaming and Multi-Media.

- Belfast Met continued to promote the mental health and wellbeing of all its staff and students. In October 2017, we marked World Mental Health Day, with the College's Learner Success team organising a series of events including expert information sessions as well as free haircuts and relaxing treatments in the student run salon, all aimed at educating staff and students about how to look after their mental health.
- We continued to build for the future, by investing in our leaders for tomorrow. Over 100 of our employees are now involved in bespoke leadership and management programmes, tailored to meet the needs of Belfast Met's senior managers, middle managers and aspiring managers.
- We also made significant developments in relation to the implementation of our Estate Strategy through the implementation of a number of projects including:
 - Supported Learning Accommodation Phase 2 Millfield
 - Art Department Consolidation Millfield
 - New Student Services Hub Millfield
 - Support Services Re-location to Castlereagh (Strategic Planning, Human Resources, Marketing & Design & IT)

The estate consolidation project will continue into the 2018/2019 academic year.

- We are the only college or university to maintain all four ISO Management Systems and this is a fantastic achievement for the College. The four International Management Systems are:
 - ISO 9001 Quality Management- Estate & FM Department only
 - ISO 14001 Environmental Management- College Wide
 - OHSAS 18001 Occupational Health & Safety Management- Estate & FM Department only
 - ISO 50001 Energy Management- College Wide

Strategic Aim 2: VALUED REPUTATION

Belfast Met's reputation for providing economically relevant, good quality, employer-led provision has grown exponentially in recent years. Every indicator not only points to consistently high levels of stakeholder satisfaction, they reflect the impact Belfast Met makes on people's lives.

It is this impact – whether in terms of enhancing employability, increasing business competitiveness, building community capacity, or working with city partners to identify and plan for future skills growth – that has helped shift wider public perceptions as to the value of technical and vocational training.

Over the course of the next four years, Belfast Met will work to enhance its reputation even further.

Strategic Objectives

- 2.1 Deliver consistent high-quality teaching and learning, provide inspired and inspirational leadership, achieve continuous improvement, empower our employees, and deeply embed the core values of Collaboration, Ambition, Respect and Excellence in everything we do.
- 2.2 Maximise opportunities for our learners by building relationships with key government, political, policy, business and community partners, most notably the Department for the Economy, its executive agencies Invest NI and Tourism NI, as well as with Belfast City Council.
- 2.3 Influence and inform public policy and decision-making across all relevant areas and unequivocally demonstrate the impact of our contribution to the economic and social success of the city of Belfast and beyond.
- 2.4 Ensure our teaching practices are cutting-edge by continuing to create a small but strong international network of partner organisations that shares insights and ideas, develops good practice and builds expertise.

Key Achievements

- Rt Hon Karen Bradley MP visited our Titanic Quarter campus in January in her first official engagement as Secretary of State for Northern Ireland. Members of the Executive Team hosted the visit and briefed the Secretary of State on the role and significance of the College as well as highlighting some of the challenges posed by the current political instability.
- The College received the excellent news that it had been recommended for institutional approval by the Open University (OU). The visiting Panel identified a number of features which it believed worthy of commendation, including:
 - The College's strong and effective links with employers.
 - The excellent support systems for students.
 - The quality of the built environment and facilities across our four campuses.
- The College continued to influence the development of large public sector reform and opportunity, being involved in debate to ensure Further Education inclusion when moving to secure a City Deal for the Greater Belfast area.
- The College became a key partner in a 2 year Erasmus+ Funded project which explores the process of moving an existing programme to a blended model and development of a Toolkit to guide other Vocational and Educational Training (VET) providers in designing and implementing blended learning approaches. Partners in The Exploring Blended Learning Approaches for VET (BLEND4VET) project are: City of Dublin Education Training Board (Ireland), H2 Learning Ltd (Ireland), Tartu Vocational Education Centre (Estonia), Konig Willem 1 College (Netherlands), and CIFP Usurbil (Spain).
- Belfast Met participated in the National Student Survey for the first time in 2017/18 which targets final year Higher Education students. Belfast Met's Student Satisfaction rate is 81% for Question 27 "Overall, I am satisfied with the quality of the course." This compares favourably to the NI sector's satisfaction rate of 84%. The sector average includes the 6 Colleges, the 2 Universities and the 2 University Colleges.

Strategic Aim 3: AGILE RESPONSE

We will ensure that we have the right structure and the right capabilities in place to respond quickly and effectively to the city's increasingly varied and constantly changing skills demands.

Our internal structure will support a refreshed and realigned curriculum, and we remain committed to a programme of continual organisational change. We will embed a process of continual scrutiny and review to ensure the curriculum remains finely tuned to the needs of the employers and the communities we serve.

Strategic Objectives

- 3.1 Fulfil our dual mandate by relentlessly supporting an agenda of economic inclusion for all.
- 3.2 Develop the skills and capabilities of our employees so we can respond effectively to the needs of all stakeholders and invest in technology to ensure more flexible and innovative delivery, and one that keeps pace with market demand.
- 3.3 Proactively engage with local, national and international employers to identify and respond to their specific skills needs.
- 3.4 Understand our policy landscape and proactively respond to the opportunities and challenges it presents.

Key Achievements

- Belfast Met continued to lead the way in the Department for the Economy's hugely successful Assured Skills programme. We have, provided approximately 55 academies to date bringing over 1,000 graduates into employment. The latest figures show that 93% of Belfast Met participants secure good jobs in growth sectors upon completion.
- The College undertook, through the Centre for Excellence, a comprehensive programme of training for staff, including preparing employees for the introduction of the new Data Protection legislation, training on the new Canvas student support system, comprehensive staff induction and bespoke management training branded 'Managing the Met Way'.
- Led by the Centre for Strategic Planning, the College undertook a full review of all College policies to ensure relevance and alignment with legislation and the external environment.
- We led on the development and implementation of an ambitious GDPR campaign to ensure that all staff were aware of the major new Data Protection rules that came into effect on 25 May 2018, and the risks associated with poor data management.
- Through the Curriculum Director's Working Group and the Training Manager's Group, the College played a key role in supporting policy reform and working with partners to shape a new offer for Youth Training, Apprenticeships and Higher Level Apprenticeships.
- We continued to develop and invest in our training, apprenticeships and employability provision across the College, offering a broad range of high quality and economically relevant training and apprenticeships solutions.

- We continued to review our curriculum to ensure that it is fit for purpose and meets the needs of our learners, employers and society.

Strategic Aim 4: DISTINCTIVE REACH

Belfast Met reaches out across the city, offering the potentially life-changing benefits of education and training to every individual and every community. We provide people with the skills to get a job or to get a better job, thus enabling employers to more fully support business growth.

Reconnecting disconnected people, and especially young people, with education and training is crucial for future success.

Belfast Met will strengthen its reach over the next four years and in doing so help widen participation, enhance social mobility, build community capacity and create a fairer society.

Strategic objectives

- 4.1 Work alongside government and community partners to provide access and progression opportunities for all.
- 4.2 Work with local, national and international employers of every size – from the largest companies to the smallest of micro-businesses – in designing courses that meet their current and specific skills demands, whilst planning for those of the future.
- 4.3 Consolidate our physical presence in the city, thereby continuing our strategy of creating modern, thriving hubs where people acquire work-ready skills and which help build social inclusion by providing opportunities for people of all abilities and backgrounds.
- 4.4 Take advantage of the benefits that technology brings to expand our reach beyond the city and region, and to provide learning opportunities at a time and in a way that suits today's ever-changing lifestyles.

Key Achievements

- Belfast Met continued to play a vital role in re-engaging those who have been failed by the education system, by helping to identify pathways back to further education both in the community and in our main sites. Through our innovative work with a large number of community based organisations, we continued to increase the participation in further and higher education of people who disengaged from education at an earlier stage in their life.
- The College launched the new Centre for Economic Development and Social Inclusion (CEDSI) in June 2018. The Centre brings together a cross-College capability in supporting business development, graduate pre-employment programmes, community programmes and social enterprise, research and development for business and training solutions for the long-term unemployed and economically inactive and for young people not currently in education, training or employment.
- During 2017/18 CEDSI launched the £3.5 million Futures Project which will work with 800 marginalised and disadvantaged young people over the next three years on an innovative programme encompassing personal and social development, good relations and citizenship

training and which will provide pathways for participating young people into Further Education and Training. Project partners include NI Housing Executive, Start 360 and Southern Regional College.

- We continued to provide pastoral care to support our students to engage in their courses and achieve a qualification through our Learning Mentors and Cause for Concern support services building on the success Learning Mentor Pilot (FE Level 2).
- We provided innovative and creative educational and vocational skills programmes tailored to meet the individual needs of our learners with moderate, severe and complex learning difficulties and continued to grow our provision of education and skills in Northern Ireland's Prisons.

Inspections

Quality Assurance Agency

During the reporting period the College was inspected by a team of reviewers from the Quality Assurance Agency (QAA) whose responsibility it was to make recommendations to the Department on quality and standards of the College's Higher Education provision across five baseline indicators.

In order to ensure appropriate levels of independence and expertise, this review team consisted of three experienced staff from different disciplinary areas. The results of this inspection were two-fold. In terms of the Quality Review Visit, the outcome concluded that confidence had been assured in terms of academic standards being reliable, that they meet UK requirements and that they are reasonably comparable with standards set and achieved by other providers in the UK.

Confidence was also expressed in relation to the quality of the student academic experience. The College therefore meets the baseline regulatory requirements. The College also submitted its HE Annual Provider Return signed off by the Governing Body in relation to Quality and Standards; the College was also found to meet all established requirements.

This recognition now means that Belfast Met moves from developmental to established status for its HE provision. The successful Annual Provider Review also means that the College meets the Home Office's requirements for educational oversight for Tier 4 sponsorship.

These outcomes took a tremendous team effort from colleagues right across the College and is a great example of one of our core values at work, i.e. Collaboration.

DfE Evaluation

A DfE Evaluation of the College Higher Level Apprenticeship provision was undertaken to establish if it was well aligned to key policies and Departmental priorities to support growth and skills development within Northern Ireland's economy.

DfE Quality Improvement team undertook the evaluation in March 2018. They reviewed performance data, interviewed teaching staff, managers, learners and employers. The final report published was a six college sector report. Belfast Met received its individual 'not for publication' report that identified the provision as having 19 strengths and 5 areas for improvement. These have been incorporated into the college Quality Improvement plan.

Education Training Inspectorate Inspections

No ETI inspections were conducted during the reporting period.

Financial objectives

Belfast Met has a strong track record of sound financial management that has positioned us strongly for the current operating environment. We will achieve a financially sustainable business model through co-ordination of budget setting and monitoring processes and provision of reports and analysis on financial performance and viability. Underpinning this are the following objectives:

- Meet the targets set by our funding Department and live within our budget allocation.
- Secure and protect recurrent grant income –by recruiting, retaining and ensuring the success of our FE and HE learners, and seeking appropriate funding to deliver this provision.
- Increase income from non-recurrent grant sources, maximising the contribution to College overheads and using this to further the College’s strategic objectives and investment priorities.
- Operate with a strong budgetary control framework which is understood by managers, and allows us to meet our contractual obligations in the Management Statement / Financial Memorandum.
- Promote innovation and entrepreneurship within an efficient and effective organisation.

Performance indicators

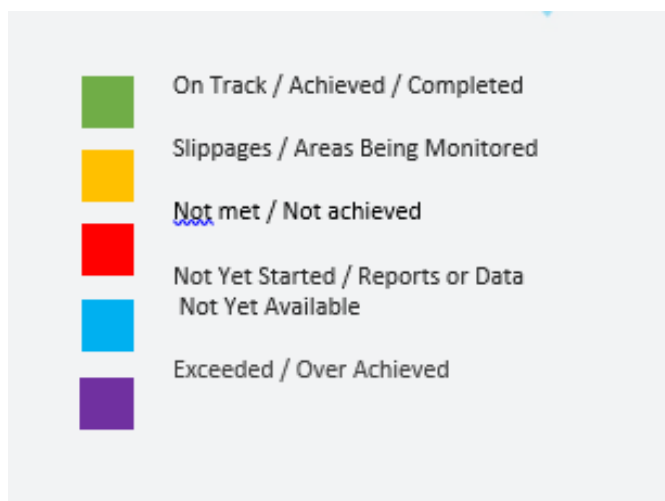
The College’s corporate outcomes framework translates Belfast Met’s ambitions and plans into a set of outcomes and supporting Key Performance Indicators (KPIs). The outcomes framework embeds the principles of outcomes based accountability by setting out what we want to achieve for the College, and how we will understand progress.

Our strategy is aligned to key government policies and most especially, the Northern Ireland Programme for Government. We have identified 7 outcomes and 14 indicators where we can make a very direct contribution. These relate to the following broad areas:

- Promoting economic growth.
- Creating a highly skilled workforce.
- Generating job opportunities.
- Widening economic participation.

The College has formulated 11 KPIs which are used to quantify the main changes we would expect to see as outcomes are achieved.

Our performance indicators are monitored each quarter against the following five level colour systems to review progress towards achieving our corporate objectives.



A detailed breakdown of the College key performance indicators for 2017 - 18 is illustrated below.

Outcome	Target 2017 - 18	Actual 2017 - 18	RAGBP
1. Learner achievement rates	87.6%	2016/ 17 outturn was 90.7%. 2017/18 outcome was 86.6%, 1% below target.	
2. Learner retention rates	89.1%	2016/17 outturn was 90.15%. 2017/18 outcome was 88.6%, 0.5% below target	
3. Learner Success Rates	75.5%	2016/17 outturn was 79.4%. 2017 /18 outcome was 76.8%, 1.3% above target	
4. % of learners employed or in further study after training upon completion of a course at Belfast Met	Baseline	The Department for the Economy conducted a survey of FE leavers in Spring 2017 about their main activity both before and six months after completing and achieving their regulated qualification at Belfast Met. Findings indicated that 80% were employed or in further study/training six months after completion.	
5. % of teachers appraised as providing good or better teaching and learning experiences	100%	Of those teaching staff appraised, 100% were graded good or better.	
6. Students overall satisfaction	90%	The March 2018 student survey indicated an overall student satisfaction figure of 94%.	
7. Stakeholders overall Satisfaction	80%	We plan to conduct a Stakeholder Satisfaction Survey early in 2018/19.	
8. Maintain levels of inclusion across Section 75 categories	30%	49% of those who live in Belfast come from Quintile 1.	
9. Live within our budget allocation	Breakeven	The College met targets set by DfE for spend against Budget Allocation. The £4.3m deficit outturn for 17/18 is ahead of the £5m deficit budget set.	

10. Growth in non-Flu (Funded Learning Unit) income	£10.303mn	The non-Flu income target for 2017/18 is £10.303mn. The 2017/18 Year End position for NON FLU income is £200k higher than budget. Key factors for this are largely due to higher than expected income in EU Projects (GenComm and BIMCert), Assured Skills, and Full Cost Recovery (FCR).	
11. Investment in IT/Estate/Staff Development	Increased level of student and staff satisfaction	In Spring 2018, 90% of learners indicated an overall satisfaction with the College digital provision and increase of 5% since 2017. The same survey also showed that 86% of learners were satisfied with our estate, agreeing that our facilities provided at the College helped them learn, a figure which is unchanged from the previous survey.	

In summary at the end of 2017/18:

- Eight of the College's 11 KPIs have been achieved or exceeded.
- Two of the College's 11 KPIs were not met.
- One of the College's 11 KPIs experienced slippages/are being monitored.

FINANCIAL POSITION

Financial Results

The Belfast Met Group generated an operating deficit in the year of £4.3m (2016/17 – deficit of £3.7m), stated after accounting for the disposal of fixed assets. Belfast Met returned a deficit of £4.3m compared to the £5m deficit as estimated in budget approved in the College Development Plan. The College closely monitored income and expenditure throughout the year to ensure the target was achieved. The consolidation of the subsidiary companies further improved the overall position.

The College group income for the year was £59.6m, an increase of £1.4m (2%) from 2016/17. This variance is explained by a reduction in DfE recurrent funding, £0.1m, education contracts £0.2m offset by an increase in tuition fees of £0.5m and other grant income £1.2m.

The College group expenditure for the year was £63.9m, an increase of £2m (3%) from 2016/17. This variance is explained mainly by the increase in staff costs of £1.8m.

The College has significant reliance on the Department for the Economy (DfE) for its principal funding source, largely from recurrent grants. In 2017/18, DfE provided 55% of the College's total income through allocated recurrent grant (2016/17 57%). This represented 23.5% of the total recurrent grant available to the sector.

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 surplus of £157k in the year (2016/17 surplus £350k).

Belfast Metropolitan College Trust was established to secure and manage donations from former students and benefactors; to establish an alumnus; and to develop enhanced opportunities and facilities for College students. The Trust reported a net decrease in funds of £12k in the year (2016/17 decrease of £27k).

Both subsidiary company accounts were audited and received an unqualified audit opinion for the year end 31st July 2018.

Reserves

The College group has accumulated reserves of £37.7m and cash balances of £4.6m. The balance on reserves has increased from £27m in 2016/17, a net increase of £10.5m. There has been an increase in the total comprehensive income for the year due to the revaluation of land and buildings using indices provided by LPS of £8.3m compared to £3.4m in 16/17.

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 has an investment strategy that complies with the Management Statement / Financial Memorandum agreed with the Department for the Economy.

CURRENT AND FUTURE DEVELOPMENT AND PERFORMANCE

Student numbers

Our students sit at the very heart of our dual mandate of supporting both economic development and social inclusion. This is reflected in the range of our provision as well as the demographics of our learners. In 2017/18 Belfast Met had 14,820 learners and 30,065 enrols.

Student achievements

Table: College Performance Data 2014/15-2017/18

Year	Retention %	Performance Level	Achievement %	Performance Level	Success %	Performance Level
2014/15	86.92	Very Good	86.21	Very Good	74.93	Good
2015/16	88.90	Very Good	87.08	Very Good	77.42	Good
2016/17	89.8	Very Good	87.3	Very Good	78.4	Very Good
2017/18	88.6	Very Good	86.6	Very good	76.8	Good

(Sourced from QlikView November 2018)

Student, Staff and Corporate Awards

Our students succeeded in scooping no fewer than 91 awards over the course of 2017/18, an increase on the 2016/17 figure of 54. The 91 awards comprise of 68 learner awards, 14 staff awards and 9 corporate awards. The College is immensely proud of these achievements and it is hugely gratifying to see the outstanding work and talents of our learners recognised externally.

The variety of the awards reflect the rich diversity of our student population as well as the range and breadth of our provision.

Highlights include The British Barbers' Association, 2nd place in British Barber of the Year, NI Travel and Tourism Awards, NI Travel News Student of the Year, Medals for Excellence winner, City and Guilds, and Creative and Cultural Student of the Year at the Creative and Cultural Awards.

Staff have also been recognised, the highlights being: - the Principal and Chief Executive, Marie-Thérèse McGivern, won Outstanding Business Woman of the Year at the Women in Business NI Awards 2017; the Director of Curriculum and Learner Success was awarded an MBE for services to education; the Essential Skills Team won FE Teaching Team of the Year at the Irish News Workplace and Employment Awards; and Sharon Holt was named Lecturer of the Year at the Institute of Hospitality Awards 2018.

At a Corporate level, the College was also recognised by a number of organisations. These included: - Autism NI, recognising Belfast Met as an Impact Award Champion; receiving an Education and Industry Partnership Award at the Creative and Cultural Awards; and being given STEM Assured Status by the STEM Foundation.

Curriculum developments

Highlights of curriculum developments over the course of the year are set out below.

Curriculum Review

The College conducted a review of its entire provision in 2017/18 and therefore began the new academic year confident that we were providing our learners with a curriculum that was finely tuned to both current and projected economic demands.

We follow a process of continuous review and constantly refresh our curriculum to ensure it keeps pace with changing economic and skills demands. This is carried out at a number of different levels within the College, each led by the Director of Curriculum and Learner Success.

Rigorous monitoring of performance is achieved through a robust performance management framework. This includes annual strategic reviews and monthly performance reviews at which departments are required to demonstrate their effectiveness, share their achievements/challenges and discuss their plans for the future.

Belfast Met has witnessed a steady (4 year) upward trajectory across Retention, Achievement and Success rates and has been sector leading in its Essential Skills provision. Our Essential Skills success has been due to a variety of factors , including focusing on improving teaching and learning, building internal relationships, developing the capacity for change within teams, investing in staff development,

as well as looking at good practice in other parts of the UK. Qlikview, our primary management reporting tool, has also played a key role in helping ensure we track and management performance successfully.

Curriculum Expansion

The curriculum expanded across a number of areas in 2017/18. This included the College being the first in the FE sector to gain institutional approval by the Open University to develop and offer three new accredited courses. The College is enthusiastic that this initiative will grow in future years and that the relationship with Open University will present more opportunities for students.

The College has also been classified as a digital and IT hub for the FE sector. In addition, the College is heavily involved in the development of frameworks for Youth Training Programmes which will continue to be developed during the 2018/19 reporting period.

Belfast Met is the best performing HE institution in Northern Ireland with retention and success rates in excess of 90%.

The external landscape is changing. We need to constantly review, reflect and reimagine who and what we are. We will reimagine our future with a new Curriculum Strategy for the 2019 – 2023 period.

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 2017 to 31 July 2018, the college paid 95% of its invoices within 30 days (2016/17 97.5%) The college incurred no interest charges in respect of late payment for this period.

The Northern Ireland Executive is committed to paying suppliers as quickly as possible, within 10 working days. During the accounting period 1 August 2017 to 31 July 2018, the college paid 72% of its invoices within 10 days. (2016/17 79%).

Post balance sheet events

No post balance sheet 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.

Future developments

The College recognises a number of challenges that are likely to have an impact on Belfast Met's future development, performance and position. It should be noted that many of these are challenges for the FE sector as whole.

- Implementation of major FE reforms.
 - No Assembly for 20 months, no Minister and the absence of anyone making key decisions.
 - Further cuts to budgets as we operate in a continuing world of austerity.
 - We are the only College in Northern Ireland who has equal numbers of students from the most deprived communities and the most affluent.
 - Approximately 10% of our learners are not from Northern Ireland.
 - Positioning FE as key driver of skills and professional education, and key to Northern Ireland success.
 - Accessing Apprenticeship Levy (including public sector).
 - The introduction by post primary schools of BTEC subjects previously solely offered by FE Colleges.
 - The partnership approach by organisations across the Belfast urban area to potentially attract a lucrative City Deal.
 - Alignment of Post Primary and FE Offer.
 - A decline in the number of 16-19 year olds in Belfast, i.e. projected to decrease by 255 (-1.4%) from 18,813 to 18,558 over the 2014-24 period.
 - Delivering a new approach based on collaboration and Outcome Based Accountability.
 - The yet to be determined impact of BREXIT. Whilst unsettling, it could bring with it opportunities also – productivity, skills pipeline and potential to address economic inactivity.
- All of the above leads to major uncertainty and we must learn to develop tolerance of uncertainty. Our response needs agility, flexibility and grace whilst remaining true to our core values and mission.

RESOURCES

The College has various resources that it can deploy in pursuit of its strategic objectives.

Estate

The College has consolidated estate as at 31 July 2018 consisting of freehold land valued at £11.7m and buildings valued at £21.8m (excluding PFI buildings). The estate includes campuses at:

Campus	Net Book Value
Titanic Quarter – building under a PFI agreement	£45.5m
Millfield – building under a PFI agreement	£29.6m
Castlereagh	£7.3m
e3	£13.7m
Whiterock*	Rented
Riddell*	£0.1m
SEV Ltd	£0.7m

* Marked for divestment

The College also operates a number of outreach centres across Belfast and the wider area. The College's estates strategy seeks to consolidate activity on 4 main campuses, TQ, Millfield, Springvale and Castlereagh, supported by up to 6 satellite sites and work towards this model is still ongoing.

Financial

The consolidated net assets at 31 July 2018 were £37.7m (2016/17 £27.2m). This includes £12.3m pension liability (2016/17 £17.2m), and a debtor of £0.9m on PFI prepayments (2016/17 £1.03m).

People

The College employs 1,095 people, of whom 687 are teaching staff (including full and part time teaching staff). Staff absenteeism for the period 1 August 2017 to 31 July 2018 was 2.97% (2016/17 was 3.07%), the average total days lost at the College are 7.39 days per head (2016/17 was 7.64 days).

Reputation

Belfast Met has a good reputation locally and nationally. The College understands the importance of building and sustaining a valued reputation and, in fact, we have identified this as one of our four strategic objectives.

Media Coverage

The total Advertising Value Equivalent for the academic year 2017/18 was £1,103,760 a decrease of £80,181 from 2016/17.

PRINCIPAL RISKS AND UNCERTAINTIES

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;
- Name of the individual who has been given the authority to manage a particular risk;
- Actions and controls that currently exist to mitigate risks;
- Direction of travel since previous quarter; and
- Current risk status.

The most recent review of our Corporate Risk Register was undertaken in autumn 2018. 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.

Risk Category	Risk Description
A1. Financial viability/ financial constraints/ funding	Failure to ensure financial viability within increasingly uncertain economic and political pressure.
B1. Estates	Failure to provide suitable accommodation to enhance an efficient learning environment across all of our estate.
B2. Estates	Failure of Properties Division (PD) to implement appropriate Contract Management procedures in relation to statutory and legislative obligations.
C1. Training contracts and other contracts	Failure to understand the impact of Youth Training and Apprenticeship reform.
C2. Training contracts and other contracts	Failure to establish effective partnerships to deliver income and progression.
D1. Recruitment and/ or enrolment	Failure to meet the agreed targets in relation to planned curriculum provision.
E1. Quality – retention, achievement, success and performance measurement	The College does not meet the expected standards of quality and performance measurement.
F1. Information technology and data management	Non-availability of College support infrastructure and systems.
F2. Information technology and data management	Non-availability of sector support infrastructure and systems e.g. NICIS, SERC and STS.
F3. Information technology and data management	Inability to maximise the use of technology.
G1. Corporate Governance	Non - compliance with policies, procedures and statutory requirements.
G2. Corporate Governance	Non-compliance with H&S policies, procedures and statutory requirements.
H1. Staffing	The College does not have an appropriate mix of suitability skilled staff and delivery models to support delivery of the corporate plan.
I1. External Issues	Failure to respond to external factors e.g. changing demographical policy and educational landscape.

STAKEHOLDER RELATIONSHIPS

In line with other colleges and universities, Belfast Met has many stakeholders. These include:

- learners;
- the Department for the Economy;
- staff;
- media;
- local employers (with specific links);
- local authorities;
- Government Offices / Regional Development Agencies;
- the local community;

- schools;
- other FE institutions;
- European partners;
- trade unions; and
- professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through the College internet site and by meetings.

The College considers good communication with its staff to be very important and holds regular meetings. Belfast Met encourages staff and student involvement through membership of the Governing Body.

Learners

Our learners are our first and highest priority. Belfast Met conducts two major surveys in each academic year that are open to all College students. The aim of the surveys is to gather feedback at course level, in order to identify areas for improvement and also highlight areas of good practice at both College and course level.

The spring 2018 Learner Survey recorded a response rate of 31% with learners giving their views on college staff and assessments, as well as what they think of IT and the libraries. The results give a wealth of open and honest learner feedback that can inform course teams and support the Self-Evaluation Review (SER) process. The survey indicated an overall student satisfaction figure of 95%, which is five percentage points above our annual student satisfaction targets of 90%.

Staff

The College commissioned an independent and confidential employee engagement survey at the end of the 2016/17. This ensured that the Senior Leadership Team began the new academic year with a clear indication of how staff feel about working in Belfast Met.

The survey resulted in the College achieving an overall engagement score of 60.5%. This figure compares favourably to other public sector organisations and is particularly encouraging given that the survey was conducted in the wake of a significant organisational change programme (2015/16).

Although engagement levels were shown to be generally good, the findings also identified some areas for improvement. Chief among these is the area of internal communications. The College has been extremely proactive in seeking to address this issue and an overview of activities is provided below.

Corporate Internal Communications

The results of the student survey were communicated through a series of four videos and a busy schedule of face-to-face engagement activities.

A regular pattern of all-user corporate communications comprising elements such as a monthly Team Brief, Executive Team interviews, profile pieces of various departments, performance updates etc. was established.

Manager communications were supported by developing a series of briefing materials and issue-specific Talking Points.

A pilot scheme was introduced whereby monthly updates from Senior Leadership Team meetings are cascaded down through the organisation.

New Intranet

The College is currently working alongside a third-party SharePoint solutions company in designing and developing a significantly improved intranet. This follows a successful CPD-led procurement process which concluded in June 2018.

The new intranet will be rolled out to all users over the course of 2018/2019. It will ensure that all employees have timely access to important company information, while also improving the speed and ease with which staff can locate the content and tools they need to perform daily tasks.

Academic Staff Conference

A staff Conference for all Academic staff was facilitated on the 12/13 February 2018. This gave academic staff the opportunity to attend CPD training across three core themes – Technology Enhanced Learning, Higher Education QAA and Further Education.

The programme also supported a welcoming address from the Director of Curriculum and Learner Success and sessions on areas such as the move from Blackboard to Canvas, blended learning, ClickView and the forthcoming QAA review visit. The conference was both well attended and received.

An all staff conference is to be facilitated at the beginning of the 2018/19 academic year.

Schools

The College works in partnership (the Schools Partnership Programme) with local Belfast schools through the local Area Learning Communities (ALCs) of North, South, East and West Belfast. The College has developed a Post Primary School Engagement Plan, which proposes further methods to bring a more co-ordinated approach, fine-tuning the current level of positive engagement with the school's sector.

The College is seeking to play a key and central role in the ALCs, not just at principal level but also at sub- group level, as there are opportunities for the College to work more collaboratively.

FE Collaboration

Belfast Met has played an active role in improving partnerships both within and across sectors. Some recent examples of our FE Sector Collaboration efforts are summarised below.

Sector Wide Corporate Plan

DfE commissioned the development of a single FE sector Corporate Plan for the period 2018/19 – 2020/21. This succinct and focused document is designed to primarily ensure that the six colleges are aligned, as one sector, in direct support of the delivery of the draft Programme for Government and the draft Industrial Strategy. Belfast Met coordinated this exercise.

This Corporate Plan will be underpinned by six individual annual College Development Plans (CDPs). The CDP, going forward, will act as our annual operating plan setting out who we are, what we do and our contribution to the PfG outcomes.

STS – Major Sector-Wide Project to Replace QL

The College has begun a move from our current Learner Management System (QL) to a new system which is part of a project called STS (System Technology and Services). The Department for the Economy ran a public procurement exercise and contracted Tribal to deliver the project for the six FE Colleges over the next five to seven years. This is a major, cross-College project and it will have significant implications on many of our existing systems, including those that sit right at the core of our operations e.g., Admissions, Timetabling, Examinations, as well as our primary management information reporting tool, QlikView.

Let's Do Business

Belfast Met developed and implemented the *Let's Do Business* marketing campaign on behalf of the sector, a campaign aimed at promoting the extensive portfolio of business development products and services with employers.

The Curriculum Hub Initiative

The Curriculum Hub Initiative, whereby one College takes the lead in a specific occupational area saw Belfast Met being designated as the lead Digital ICT Hub.

European Partners

The College successfully collaborated with local, regional and international stakeholders to win a €1.2m Horizon 2020 bid. BIMcert is the development of a series of training interventions using digital technology and improved blended techniques to support, enhance and maximise the impact of energy efficient skills at all operational levels within the modern construction industry.

In relation to the new Centre for Economic Development and Social Inclusion (CEDSI), during the reporting period it secured £1.7 million of European Social Fund support for the Skills for Industry Project which will work with 800 long term unemployed or economically inactive over the next four years. Skills for Industry builds upon the successful project model developed for manufacturing and widens this out to other sectors. The Project offers a technical qualification in vocational areas with a comprehensive support package and work placement opportunities and will provide opportunities for the long-term unemployed and economically inactive to benefit from progression pathways into further education and Training and employment.

CEDSI also contributed to the development of the successful bid for European Social Fund support for the FE Sector's College Connect Programme which will provide training and progression opportunities for young people not currently in education, employment or training (NEETS) until 2022.

Outcome Based Accountability (OBA)

Belfast Met, along with all FE Colleges, is moving from its current funding model, Funded Learning Units (FLUs) to a system of Outcomes Based Accountability (OBA). The outworking of this change will be reported on in the Annual Report for the period 2018/2019.

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 is committed to allocating 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 infographic overleaf provides information on the demographic profile of our learners.

Learners at Belfast Met 2017/18



14,820 learners enrolled on 30,065 courses



Gender

50.6% of our students were female and 49.4% were male compared with 2016/17 when 50% were female and 50% were male.

Age

41% of learners are aged 19 and under, 19% of learners are aged 20 – 24, and 11.8% are over 45.



Ethnic Origin

87% state their ethnic origin as white with 3.8% stating Asian and Black and 9.2% Mixed or other.

Disability

9% of learners have a disability of which 32.4% have a specific learning disability.



Where Learners Come From

51% of learners come from Belfast LGD, with 12.8% from Lisburn and Castlereagh and 0.2% from Antrim and Newtownabbey. 29% of learners live in the 20% most deprived areas in NI, with 24% living in the 20% least deprived areas in NI.

The College continues to raise awareness about its legal obligations to promote equality of opportunity and good relations and embed this into the curriculum.

- The College delivered a programme of engagement activities to over 30 community organisations and is in contact with over 80 groups on a regular basis. This activity includes meetings, facilitated college tours, training, communication of activities, assistance with progression of their clients onto college programmes and addressing any issues encountered by their clients when accessing services.
- The College achieved an Autism Impact Award. In order to achieve the title of Autism Champion for all campuses, each campus successfully completed an AQA. A bespoke plan was devised to address needs within the College. Measures included sharing of support strategies with Curriculum Area Managers and lecturers on how best to support the needs of students with Autism, working with external agencies to deliver workshops for students with Autism, production of an App designed to assist students to navigate around their respective campuses, and design of Autism friendly maps for each campus.
- The College signed up to the Equality Commissions Mental Health Charter during this reporting period.
- The student admissions procedure takes account of the protected characteristics of all applicants. We have introduced a wraparound support process for students who are transgender. This provides a separate enrolment process for these students, staff training on transgender issues through our Centre for Excellence, and support action plans for each transgender student. This is complemented by the allocation of gender neutral toilet facilities at each campus. In this reporting period Belfast Met has provided support to 14 transgender students who have disclosed during the academic year.
- The College participates on the Lifelong Learning Subgroup of the Belfast Strategic Partnership and played an integral role in the development of a Festival of Learning for the City and in the City's bid for UNESCO City of Learning status signed by the Lord Mayor of Belfast in September 2017.
- Belfast Met is responsible for managing ESOL provision for Syrian refugees placed in Northern Ireland under the Vulnerable Persons Resettlement Scheme (VPRS). This has identified a clear need for a tailored solution for this cohort to assist with integration and learning. The programme developed includes the opportunity to attain an OCN Level 2 Award in Personal Success and Wellbeing (6 credits – equivalent to GCSE A*).
- The Centre for Economic Development and Social Inclusion launched the £3.5 million Futures Project which will work with 800 marginalised and disadvantaged young people over the next three years. This is an innovative programme encompassing personal and social development, good relations and citizenship training, providing pathways for participating young people into Further Education and Training. The Project is supported under the EU's PEACE IV programme which aims to promote social inclusion and cohesion between communities and tackle poverty and discrimination.

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).

This Disability statement sets out Belfast Met's commitment to staff and students who have a disability. The principles, which underline the commitment, are:

- A policy of equal opportunity which seeks to ensure that staff and students who have a disability have equitable access as far as reasonably possible to the full range of facilities, services and aspects of College life.
- Creating an environment where those with disabilities are comfortable in disclosing their disability and are provided with opportunities to disclose at various stages throughout their time at the College.
- Providing access to the appropriate reasonable adjustments to enable those with disabilities to overcome any arrangements and/or physical features that make it difficult to access or participate in all aspects of College life.
- Preventing occurrences of unlawful direct discrimination, indirect discrimination, harassment and victimisation.
- Treating all staff and students with dignity and respect and seeking to provide a positive and safe working and learning environment.
- The responsibility to promote informed and constructive attitudes to disability.
- The recognition that fewer students with disabilities apply for academic courses at the College. The College therefore recognises its responsibilities to encourage an increase in the proportions of students with disabilities who apply and are admitted to the College, which is more reflective of the proportion of people with disabilities in the community.

Actions carried out to meet these objectives include:

- The College continues to make significant investment in the appointment of specialist lecturers to support students with learning difficulties and or disabilities.
- Specialist training on a variety of disabilities is provided to all staff during the academic year in addition to general SENDO training designed to raise awareness of our legal obligations to students with a disability.
- Positive imagery is used in our promotional materials including College prospectuses and publications of people with a disability to encourage greater participation of those with a disability and to demonstrate the inclusivity of the College.
- The College has its own dedicated Centre for Supported Learning.

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.

Personal data related incidents

During 2017-18, there were 4 singular data breaches which were all reported to the Information Commissioner's Office who recommended they should all be closed without any further action.

Charitable and taxation status

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

Charitable/Political Donations

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

Professional Advisers

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

Internal Auditors: Grant Thornton
Belfast Clarence West
12-15 Donegall Square West
Belfast, BT1 6JH

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

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

Members

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

Name	Date of Appointment Re- appointment	Term of Office	Date of Resignation	Status of Appointment *	Committees Served ** ***	Governing Body Attendance ****
Frank Bryan Chair	A 26/10/15	25/10/19		BIP		8/8
Catherine Burns	A 01/08/15	31/07/19		BIP	CQE, HR, RES	8/8
Kate Burns	A 01/08/15	31/07/19		BIP	CQE, RES	6/8
Kay Collins	A 01/08/15	31/07/19		BIP	A&R	7/8
Declan Crummey	A 07/06/17	06/06/21		Staff elected	CQE, RES	5/7
Seamus Dawson	A 01/06/17	31/05/21		Co-opted	CQE, RES	6/7
Gavin Doran	A 30/05/18	29/05/22		Staff elected		0/1
Wendy Langham	A 01/08/11 R 01/08/15	31/07/15 31/07/19		BIP	RES	7/7
Jim McCall	A 01/08/15	31/07/19		BIP	A&R, HR, RES	8/8
John McGrillen	A 01/08/11 R 01/08/15	31/07/15 31/07/19		BIP	RES	6/8
Kathleen O'Hare	A 01/08/15	31/07/19		BIP	CQE, RES	7/8
Morgan Murphy	A 20/10/16	30/09/18		Student elected	CQE	4/6
Samuel Snodden	A 9/12/15	8/12/19		BIP	A&R, HR, RES	7/7
Maureen Walkingshaw	A 28/02/17	27/02/21		Co-opted	HR, A&R, RES	7/8
Brian Wilson	A 01/08/15	31/07/19		BIP	CQE, HR, RES, A&R	5/7
Marie Therese McGivern	Ms Marie-Thérèse McGivern by virtue of office of Principal and Chief Executive is a member of the Governing Body.					7/8
Vacancies x 2	Education Authority nominees awaiting return of Assembly.					
* Status of Appointment: BIP - Business, Industry Professional Category.						
** Committees Served: A&R Audit & Risk; CQE Curriculum, Quality and Engagement; HR Human Resources; RES Resources.						
*** Committee memberships These changed during the year as some governors stood down, joined or moved between committees or attended another committee either as a guest or by invitation for a specific business item.						
**** Governing Body Attendance: 1st Figure shows attendance; 2nd figure shows number of meetings which the person was eligible to attend.						

For and on behalf of the members of the Governing Body



Frank Bryan, Chairperson

19th November 2018

Date

Remuneration Report

BELFAST METROPOLITAN COLLEGE REMUNERATION REPORT

Remuneration policy

Members of the Governing Body

There are normally 18 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 1st 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:

	2017-18				2016-17			
	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	5-10	0	0	5-10	0-5	0	0	0-5
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
Gary McCorkindale¹	0	0	0	0	0-5	0	0	0-5
Kathleen O'Hare	5-10	0	0	5-10	0	0	0	0
Sam Hagen²	0	0	0	0	0-5	0	0	0-5
Norman Hamilton³	0	0	0	0	0-5	0	0	0-5
Wendy Langham	0-5	0	0	0-5	0-5	0	0	0-5
Ciaran O'Grady⁴	0	0	0	0	0-5	0	0	0-5
David Taylor⁵	0	0	0	0	0-5	0	0	0-5
Samuel Snodden	5-10	0	0	5-10	0-5	0	0	0-5
Seamus Dawson	0-5	0	0	0-5	0	0	0	0
Brian Wilson	0-5	0	0	0-5	0-5	0	0	0-5
Morgan Murphy	0-5	0	0	0-5	0	0	0	0
Maureen Walkingshaw	0-5	0	0	0-5	0	0	0	0
John McGrillen	0	0	0	0	0	0	0	0

1 Term finished 30/09/17

2 Term finished 26/11/16

3 Term finished 31/03/17

4 Term finished 31/03/17

5 Term finished 02/12/16

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	2017/18				2016/17			
	Salary £'000	Benefits in kind £'000	Pension benefits £'000*	Total £'000	Salary £'000	Benefits in kind £'000	Pension benefits £'000	Total £'000
MT McGivern (Chief Executive)	120-125	0	15-20	135-140	120-125	0	40-45	165-170
E Hartin (Chief Operating Officer)	85-90	0	15-20	100-105	65-70 (FYE 85-90)	0	15-20	80-85
D Duffy (Director of Development)	85-90	0	25-30	110-115	85-90	0	20-25	105-110
J Heggarty (Director of Curriculum)	80-85	0	55-60	140-145	80-85	0	90-100	175-180
G Magee (Director of People, Policy and Planning)	75-80	0	15-20	90-95	70-75	0	21-25	95-100

**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

	2017/18	2016/17
Band of highest paid Director's total remuneration	£120k-£125k	£120k-£125k
Median total remuneration	£33,437	£34,196
Ratio	3.62	3.54

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 31/7/18 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31/7/18	CETV at 31/7/17	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000
MT McGivern (Chief Executive)	85-90 plus lump sum of 0	0 - 2.5 plus lump sum of 0	1,546	1,546	-
E Hartin (Chief Operating Officer)	10-15 plus lump sum of 0	0-2.5 plus lump sum of 0	113	90	24
D Duffy (Director of Development)	10-15 plus lump sum of 0	0 -2.5 plus lump sum of 0	121	105	15
J Heggarty (Director of Curriculum)	15-20 plus lump sum of 35-40	2.5-5 plus lump sum of 2.5-5	253	214	39
G Magee (Director of People, Policy and Planning)	15-20 plus lump sum of 15-20	0 -2.5 plus lump sum of -2.5-0	200	180	8

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). These are now Career Average Revaluated Earnings schemes with protected elements of defined benefit, which are externally funded. 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 2%.

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.

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.

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 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 GOVERNING BODY
FOR THE YEAR ENDED 31 JULY 2018

The Governing Body of Belfast Metropolitan College is required to present audited financial statements for each financial year.

Within the terms and conditions of the Management Statement / Financial Memorandum agreed between the Department for the Economy and the Governing Body of the College, the Governing Body through its Chairperson, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and the result for that year.

In preparing the financial statements the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

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 Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the College and enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It has general responsibility for taking such steps that are reasonably open to it to safeguard assets of the college and to prevent and detect fraud and other irregularities.

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.

The Governing Body is responsible for ensuring that funds from the Department are used only in accordance with the Management Statement / Financial Memorandum agreed with the Department and other conditions, which the Department may from time to time prescribe. The Governing Body must ensure that there are appropriate financial and management controls in place sufficient to safeguard public funds and ensure that they are used only in accordance with the conditions under which they have been made available. In addition, the Governing Body is responsible for securing the economic, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Department are not put at risk.

Approved by order of the Governing Body members on 19th November 2018 and signed on its behalf by:



Frank Bryan
Chairperson, Belfast Metropolitan College

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL FOR THE YEAR ENDED 31 JULY 2018

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 2017-18 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, members nominated by the Education Authority for the area, 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 eight times during the 2017/18 academic year.

At the time of writing the appointment of new nominees awaits the resumption of normal business in the NI Assembly and the appointment of a DfE Minister.

The Governing Body is supported by four permanent committees comprising the Audit and Risk Committee (A&R), the Curriculum, Quality and Engagement Committee (CQE), the Human Resources Committee (HR) and the Resources Committee (RES). Committees of the Governing Body shall be chaired by a member of the Governing Body. 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 Secretary 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 2017/18 and has commented favourably on the continuing improvements made in presentation and ease of use of data.

Governing Body performance and effectiveness

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

- Hosting a series of Learning & Development sessions within the Governing Body;
- Preparing for the changeover of several members and the induction of new members;
- 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 Committees.

All board members are given induction 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 4 times during the 2017/18 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 at the A&R Committee during the year 2017/18 were as follows:

- Internal Audit planning;
- Internal Audit reports including reviews of key financial controls, payroll, business continuity planning/disaster recovery, estates management, data protection, management of funded projects, timetabling and absence management, and strategic planning;
- 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;
- A&R Committee annual report;
- Audit and Risk Committee Training;
- Direct Award contracts;
- Fraud, losses, and special payments;
- Whistleblowing notifications;
- NI Assembly PAC reports;
- 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 2017/18 has been published and has resulted in the College achieving an overall rating of a 'Satisfactory' assurance. NB "Satisfactory" is now the highest level of audit opinion as defined in Accounting Officer letter DAO (DoF) 07/16.

Progress against plan in 2017/18	Date due	Assurance
Key Financial Controls	January 2018	Satisfactory
Payroll	January 2018	Satisfactory
BCP/Disaster recovery	August 2018	Satisfactory
Estates Management	June 2018	Satisfactory
Data Protection	September 2018	Not an audit report so no rating
Management of funded projects	June 2018	Satisfactory
Timetabling and absence management	September 2018	Satisfactory
Strategic Planning	September 2018	Satisfactory

In addition to governors, auditors and DfE representatives, senior officers, namely the Chief Executive, the Chief Operating Officer, the Head of Finance, the Director of People, Policy and Planning and the Centre Manager for 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 of Estates. 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 key issues discussed at the Resources Committee meetings during the year 2017/18 were as follows:

- Annual Accounts;
- Review of contribution on Non FLU income;
- Review of Catering Provision;
- Estates Update;
- IT Update;
- Financial Performance; and
- Budget Allocation .

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 key issues discussed at the HR Committee during the year 2017/18 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 (CQE)

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 key issues discussed at the CQE Committee during the year 2017/18 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:

	Governing Body	A&R Committee	CQE Committee	HR Committee	RES Committee
Frank Bryan (Chair)	8/8	8/8 i.e. 8 meetings attended out of a possible 8 meetings which the governor was eligible to attend during the year.			
Catherine Burns MBE	8/8		4/7	4/4	1/1
Kate Burns	6/8		3/7		4/4
Kay Collins	7/8	4/4			
Declan Crummey	5/7		5/7		3/4
Seamus Dawson	6/7		4/7		4/4
Gavin Doran	0/1				
Wendy Langham	7/7				4/4
Jim McCall	8/8	4/4		4/4	1/1
John McGrillen	6/8				4/4
Kathleen O'Hare	7/8		7/7	1/4	3/4
Morgan Murphy	4/6		1/2		
Samuel Snodden	7/7	3/4		3/4	1/1
Maureen Walkingshaw	7/8	4/4		1/4	1/1
Brian Wilson	5/7	1/1	6/7	1/4	1/1
Marie Therese McGivern	7/8	2/4			

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

During 2017/18, 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 Chief Operating Officer, the Director of Development and from the 1st July 2018 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 2018 and up to the date of approval of the annual report and accords with Department of Finance guidance. I have fully embedded the processes which the Department for the Economy 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.

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;

- Name of the individual who has been **given the authority to manage a particular risk**;
- Actions and controls that currently exist to mitigate risks;
- Direction of travel since previous quarter; and
- Current risk status.

The most recent review of our Corporate Risk Register was undertaken in autumn 2018. 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.

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 Report to those charged with governance. 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.



Marie-Thérèse McGivern
Chief Executive and Accounting Officer
19 November 2018



Financial Statements

The Certificate and report of the Comptroller and Auditor General to the Northern Ireland Assembly
Consolidated Statement of Comprehensive Income and Expenditure
Consolidated and College Statement of Changes in Reserves
Balance Sheets
Consolidated Cash Flow Statement
Statement of Accounting Policies
Notes to the 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 2018 under the Further Education (Northern Ireland) Order 1997 as amended by the Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008. The financial statements comprise: the Statement of Comprehensive Income, Consolidated Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

In my opinion the financial statements:

- give a true and fair view of the state of the Belfast Metropolitan College's affairs as at 31 July 2018 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 Audit and Accountability Institutions of Further Education (Public Sector Audit) Order (Northern Ireland) 2008 and the Department for the Economy directions issued thereunder.

Opinion on regularity

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

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs) 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 the Belfast Metropolitan College in accordance with the ethical requirements of the Financial Reporting Council's Revised Ethical Standard 2016, 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.

Other Information

The Governing Body is responsible for the other information reported in the annual report. The other information comprises the information included in the annual report other than the financial statements, the part of the Remuneration Report to be audited and my certificate thereon. My opinion on financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, 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, 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 my opinion, based on the work undertaken in the course of the audit:

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

Responsibilities of the Governing Body

As explained more fully in the Statement of Responsibilities of the Governing Body, the Governing Body is responsible for the preparation of the financial statements and being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

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

I am required to obtain evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.

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.

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.

Report

I have no observations to make on these financial statements.

A handwritten signature in black ink that reads "K J Donnelly". The signature is written in a cursive style with a long horizontal stroke at the end.

KJ Donnelly

Comptroller and Auditor General

Northern Ireland Audit Office

106 University Street

Belfast

BT7 1EU

26 November 2018

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £'000	2017 £'000
INCOME			
Department for the Economy income	1	46,791	46,912
Education contracts	2	774	932
Tuition fees and charges	3	8,863	8,353
Other grant income	4	1,614	409
Other operating income	5	1,551	1,561
Investment income	6	14	29
Total income		59,607	58,196
EXPENDITURE			
Staff costs	7	35,862	34,055
Other operating expenses	9	23,734	23,324
Depreciation	12	3,889	3,975
Interest and other finance costs	10	426	541
Total expenditure		63,911	61,895
Surplus/(deficit) before other gains/losses		(4,304)	(3,699)
Gain/(loss) on disposal of assets		0	0
(Loss)/gain on investments		0	0
Surplus/(deficit) before tax		(4,304)	(3,699)
Taxation		0	0
Surplus/(deficit) for the year		(4,304)	(3,699)
Unrealised surplus on revaluation of land and buildings		8,325	3,361
Actuarial (loss)/gain in respect of pension scheme		6,464	7,624
Change in fair value of endowments		(12)	(27)
Total comprehensive income for the year		10,473	7,259
Represented by:			
Endowment comprehensive income for the year		0	0
Restricted comprehensive income for the year		0	0
Unrestricted comprehensive income for the year		10,473	7,259

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 2018**

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 2016	251	0	(18,407)	38,123	0	0	19,967
Surplus/(deficit) from income and expenditure statement	0	0	(3,699)	0	0	0	(3,699)
Other comprehensive income	0	0	7,624	3,361	0	0	10,985
Transfers between revaluation and income and expenditure account	0	0	107	(107)	0	0	0
Transfer due to endowment asset investment	(27)	0	0	0	0	0	(27)
Release of restricted funds spent in year	0	0	0	0	0	0	0
Balance at 1 August 2017	224	0	(14,375)	41,377	0	0	27,226
Surplus/(deficit) from income and expenditure statement	0	0	(4,304)	0	0	0	(4,304)
Other comprehensive income	0	0	6,464	8,325	0	0	14,789
Transfers between revaluation and income and expenditure account	0	0	311	(311)	0	0	0
Transfer due to endowment asset investment	(12)	0	0	0	0	0	(12)
Total comprehensive income for the year	(12)	0	2,471	8,014	0	0	10,473
Balance at 31 July 2018	212	0	(11,904)	49,391	0	0	37,699

**BELFAST METROPOLITAN COLLEGE
COLLEGE STATEMENT OF CHANGES IN RESERVES
FOR THE YEAR ENDED 31 JULY 2018**

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 2016	0	0	(18,075)	36,620	0	0	18,545
Surplus/(deficit) from income and expenditure statement	0	0	(4,022)	0	0	0	(4,022)
Other comprehensive income	0	0	7,624	3,425	0	0	11,049
Transfers between revaluation and income and expenditure account	0	0	107	(107)	0	0	0
Release of restricted funds spent in year	0	0	0	0	0	0	0
Balance at 1 August 2017	0	0	(14,366)	39,938	0	0	25,572
Surplus/(deficit) from income and expenditure statement	0	0	(4,449)	0	0	0	(4,449)
Other comprehensive income	0	0	6,464	8,188	0	0	14,652
Transfers between revaluation and income and expenditure account	0	0	311	(311)	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	2,326	7,877	0	0	10,203
Balance at 31 July 2018	0	0	(12,040)	47,815	0	0	35,775

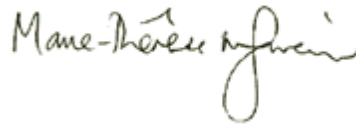
BELFAST METROPOLITAN COLLEGE
BALANCE SHEET AS AT 31 JULY 2018

	Notes	Group 2018 £'000	College 2018 £'000	Group 2017 £'000	College 2017 £'000
Non Current Assets					
Tangible fixed assets	12	110,728	108,425	105,718	103,613
Intangible assets	13	167	167	0	0
Endowment assets	20	212	0	224	0
		111,107	108,592	105,942	103,613
Current assets					
Trade and other receivables	17	3,825	4,040	6,401	6,681
Cash and cash equivalents	21	4,641	4,593	3,748	3,709
Total current assets		8,466	8,633	10,149	10,390
Less: Creditors – amounts falling due within one year	18	11,344	11,323	10,663	10,631
Net current assets		(2,878)	(2,690)	(514)	(241)
Total assets less current liabilities					
		108,229	105,902	105,428	103,372
Less: Creditors – amounts falling due after more than one year	19	58,212	57,809	60,951	60,549
Provisions:					
Pension provisions	22	12,318	12,318	17,251	17,251
Other provisions		0	0	0	0
Net assets including pension liability		37,699	35,775	27,226	25,572
Restricted Reserves					
Income and expenditure account –restricted reserve		0	0	0	0
Unrestricted Reserves					
Income and expenditure – unrestricted reserves		(11,904)	(12,040)	(14,375)	(14,366)
Endowment reserves	20	212	0	224	0
Revaluation reserve		49,391	47,815	41,377	39,938
Total reserves		37,699	35,775	27,226	25,572
Total		37,699	35,775	27,226	25,572

The financial statements on pages 53 to 85 were approved by the governing body of Belfast Metropolitan College on 19th November and were signed on its behalf on that date by:



Frank Bryan
Chair of governing body
Belfast Metropolitan College



Marie- Therese McGivern
Accounting Officer
Belfast Metropolitan College

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

**BELFAST METROPOLITAN COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £'000	2017 £'000
Cash inflow/(outflow) from operating activities			
Deficit for the year		(4,304)	(3,699)
Adjustment for non-cash items			
Depreciation	12	3,889	3,975
Deferred capital grant released to income	1	(1,423)	(1,607)
Decrease/(increase) in debtors	17	2,576	141
Increase/(decrease) in creditors	18	695	(616)
Increase/(decrease) in pension provision	22	1,531	1,457
Increase/(decrease) in other provisions		0	0
Adjustment for investing or financing activities		0	0
Investment income	6	(14)	(29)
Profit on sale of fixed assets		0	0
Net cash inflow from operating activities		2,950	(378)
Cash flows from investing activities			
Proceeds from sale of fixed assets		170	110
Proceeds from sales of intangible assets		0	0
Deferred capital grants received		502	2,337
Investment income	6	14	29
Payments made to acquire fixed assets		(579)	(2,342)
Payments made to acquire intangible assets		0	0
New non-current asset investments		0	0
Movement in endowment reserve	20	12	27
Cash inflows from financing activities			
Capital elements of PFI lease rental payments		(2,176)	(1,894)
Interest paid		0	0
Interest element of finance lease and service concession payments		0	0
(Decrease)/increase in cash and cash equivalents in the year		893	(2,111)
Net funds at 1 August		3,748	5,859
Net funds at 31 July		4,641	3,748

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 ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 JULY 2018**

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 2015 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 fixed assets 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 2018.

STATEMENT OF ACCOUNTING POLICIES (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 fixed assets 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 finds.

STATEMENT OF ACCOUNTING POLICIES (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, which are externally funded and contracted out of the State Earnings-Related Pension Scheme.

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 which is externally funded and contracted out of the second state Pension 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 schemes 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 schemes 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 balance sheet 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 ACCOUNTING POLICIES (continued)

Tangible Fixed Assets

- **Land and buildings**

Land and buildings (including those inherited from the Education and Library Board) are stated in the balance sheet 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 release to the income and expenditure account reserve on an annual basis. Land and buildings acquired since the last valuation are included in the balance sheet 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.

- **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 2018. 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. Assets other than land and buildings inherited from the Education and Library Board are included in the balance sheet at valuation. 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 balance sheet. 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 ACCOUNTING POLICIES (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. Software integral to an item of hardware is dealt with as fixed assets.

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 tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets 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

	2018 £'000	2017 £'000
Grant In Aid Received from DfE		
Recurrent grant	33,334	33,172
Release of deferred capital grants	1,423	1,607
Additional Support funds	532	471
Employer Support Program/Innovate Us	0	176
Students with Learning Difficulties and/or Disabilities (SLDD)	479	500
Innovation Fund	315	205
Private Finance Initiative (PFI)/ Public Private Partnership (PPP)	6,559	6,531
Skills Focus	<u>32</u>	<u>41</u>
Other	<u>146</u>	<u>101</u>
Grant In Aid Items	<u>42,820</u>	<u>42,804</u>

As of 1 April 2018 (due to the implementation of a new DfE Colleges' funding model), the recurrent grant amount includes items of Grant in Aid Income that would have previously been received by the College as a separate income stream from the DfE.

Non-Grant in Aid received from DfE

Education Maintenance Allowance administration	31	30
Assured Skills	820	783
Youth Training	1,485	1,647
Higher Level Apprenticeships	920	1,262
Level 3 Apprenticeships	715	386
Other	<u>0</u>	<u>0</u>
Non-grant in aid items	<u>3,971</u>	<u>4,108</u>
Total DfE income	<u>46,791</u>	<u>46,912</u>

Care to Learn was reclassified from Grant in Aid to Non Grant and Aid as of 1st April 2018.

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:

	2018 £'000	2017 £'000
Innovation Fund	<u>315</u>	<u>205</u>
Net income	<u>315</u>	<u>205</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. EDUCATION CONTRACTS

	2018 £'000	2017 £'000
Entitlement Framework	286	361
Training for Success	488	571
Total	774	932

3. TUITION FEES AND CHARGES

	2018 £'000	2017 £'000
Higher Education (HE) income	4,644	4,550
Home and other European Union	4,210	3,796
Non-European Union	9	7
Total	8,863	8,353

Tuition fees funded by bursaries

Included within the above amounts are amounts which fund bursaries of £68,881 (2017: £59,387).

4. OTHER GRANT INCOME

	2018 £'000	2017 £'000
European funds	1,483	102
Other funds	131	307
Total	1,614	409

5. OTHER OPERATING INCOME

	2018 £'000	2017 £'000
Catering and residence operations	668	649
Other income generating activities	699	685
Other income	184	227
Total	1,551	1,561

6. INVESTMENT INCOME

	2018 £'000	2017 £'000
Other investment income	13	22
Other interest receivable	1	7
Total	14	29

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:

	2018	2017
	No.	No.
Governing body	0	0
Teaching	404	400
Support	142	138
Administration	207	198
Premises	<u>30</u>	<u>29</u>
Total	<u>783</u>	<u>765</u>

Staff costs for the above persons

	2018	2017
	£'000	£'000
Governing body	83	46
Teaching	18,344	17,270
Support	4,599	3,967
Administration	10,437	10,358
FRS 102 adjustment (see note 22)	1,105	916
Premises	<u>1,294</u>	<u>1,498</u>
Total	<u>35,862</u>	<u>34,055</u>
Wages and salaries	29,346	27,852
Social security costs	2,309	2,180
Movement in pension	0	0
Other pension costs	<u>4,207</u>	<u>4,023</u>
Total	<u>35,862</u>	<u>34,055</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	
	2018	2017	2018	2017
	No.	No.	No.	No.
£60,001 to £70,000	0	0	17	8
£70,001 to £80,000	0	1	6	9
£80,001 to £90,000	1	1	0	0
£90,001 to £100,000	1	1	0	0
£100,001 to £110,000	2	1	0	0
£110,001 to £120,000	0	0	0	0
£120,001 to £130,000	1	0	0	0
£130,001 to £140,000	0	0	0	0
£140,001 to £150,000	0	1	0	0
	<u>5</u>	<u>5</u>	<u>23</u>	<u>17</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.

	2018	2017
	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:

	2018	2017
	£'000	£'000
Salaries	450	426
Pension contributions	<u>59</u>	<u>78</u>
Total emoluments	<u>509</u>	<u>504</u>

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

	2018	2017
	£'000	£'000
Salaries	121	121
Pension contributions	<u>0</u>	<u>21</u>
Total	<u>121</u>	<u>142</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

	2018 £'000	2017 £'000
Direct Teaching	1,371	1,645
Direct Support	4,210	4,222
Administration	4,112	3,368
Consultancy Fees	191	78
Premises	5,360	5,554
Unitary payments under PFI contract	5,165	4,974
Interest element of finance lease	3,325	3,483
Total	23,734	23,324
Other operating expenses include:	2018 £'000	2017 £'000
Auditors' remuneration:		
Financial statements audit (includes £22,000 in respect of the college – 2016/17 £28,500)	22	29
Internal audit (includes £30,454 in respect of the college – 2016/17 £27,761)	30	28
Hire of plant and machinery – operating leases	321	306

10. INTEREST AND OTHER FINANCE COSTS

	2018 £'000	2017 £'000
On bank loans, overdrafts and other loans	0	0
	0	0
On finance leases	0	0
Net charge on pension scheme	426	541
Total	426	541

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 2017/18.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. TANGIBLE FIXED ASSETS

Group	Freehold land & buildings £'000	Assets under construction £'000	PFI £'000	Plant & equipm't £'000	Computers £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation								
At 1 August 2017	31,298	0	71,391	4,843	4,011	147	229	111,919
Additions	24	51	91	406	81	17	0	670
Transfers	0	0	0	0	0	0	0	0
Surplus/(deficit) on revaluation	2,939	0	5,460	0	0	0	0	8,399
Disposals	(170)	0	0	0	0	0	0	(170)
At 31 July 2018	34,091	51	76,942	5,249	4,092	164	229	120,818
Depreciation								
At 1 August 2017	0	0	0	2,316	3,564	99	222	6,201
Charge for the year	694	0	2,170	746	245	27	7	3,889
Revaluation	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	0	0	0
At 31 July 2018	694	0	2,170	3,062	3,809	126	229	10,090
Net book value at 31 July 2018	33,397	51	74,772	2,187	283	38	0	110,728
Net book value at 31 July 2017	31,298	0	71,391	2,527	447	48	7	105,718

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. TANGIBLE FIXED ASSETS

College

	Freehold land & buildings £'000	Assets under construction £'000	PFI* £'000	Plant & equipm't £'000	Computers £'000	Fixtures & fittings £'000	Motor vehicles £'000	Total £'000
Cost or valuation								
At 1 August 2017	29,193	0	71,391	4,695	4,011	147	229	109,666
Additions	24	51	91	406	81	17	0	670
Transfers	0	0	0	0	0	0	0	0
Surplus/(deficit) on revaluation	2,729	0	5,460	0	0	0	0	8,189
Disposals	(170)	0	0	0	0	0	0	(170)
At 31 July 2018	31,776	51	76,942	5,101	4,092	164	229	118,355
Depreciation								
At 1 August 2017	0	0	0	2,168	3,564	99	222	6,053
Charge for the year	682	0	2,170	746	245	27	7	3,877
Revaluation	0	0	0	0	0	0	0	0
Impairment	0	0	0	0	0	0	0	0
Elimination in respect of disposals	0	0	0	0	0	0	0	0
At 31 July 2018	682	0	2,170	2,914	3,809	126	229	9,930
Net book value at 31 July 2018	31,094	51	74,772	2,187	283	38	0	108,425
Net book value at 31 July 2017	29,193	0	71,391	2,527	447	48	7	103,613

Land and buildings were last subject to a full revaluation at 31 July 2017 on a depreciated replacement cost basis. The valuations were performed independently by the Land and Property Service. Subsequently that revaluation was updated using indices supplied by the Land and Property Service to provide valuations as at 31 July 2018.

These revaluations have been incorporated into the financial statements and the resulting revaluation adjustments have been taken to the revaluation reserve.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. TANGIBLE FIXED ASSETS

If fixed assets 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 tangible fixed assets includes an amount of £75,096k (2017: £71,391k) in respect of assets held under finance leases.

	2018	2017
	£'000	£'000
The depreciation charge for the year is analysed as follows:		
Owned assets	1,719	1,784
Assets held under finance leases and hire purchase arrangements	2,170	2,191

13. INTANGIBLE FIXED ASSETS

Group and College

	Asset Under Construction	TOTAL
	£'000	£'000
Cost or valuation		
At 1 August 2017	0	0
Additions	167	167
Disposals	<u>0</u>	<u>0</u>
At 31 July 2018	<u>167</u>	<u>167</u>
Depreciation		
At 1 August 2017	0	0
Charge for the year	0	0
Elimination in respect of disposals	<u>0</u>	<u>0</u>
At 31 July 2018	<u>0</u>	<u>0</u>
Net book value at 31 July 2018	<u>167</u>	<u>167</u>
Net book value at 31 July 2017	<u>0</u>	<u>0</u>

The intangible asset under construction is a jointly owned and controlled asset among the six Further Education Colleges of Northern Ireland and Belfast Metropolitan College's share is £167k. The asset under construction is a Leaner 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 is estimated to be £2,242k.

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. SERVICE CONCESSION ARRANGEMENTS

The College has two on balance sheet 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 balance sheet as at 31 July 2018 is £75,096k (2017:£71,391k). The increase of £3,705k is due to depreciation being offset by additions and indexation.

Movement in service concession liabilities

The total liabilities relating to the service concession included in the balance sheet as at 31 July 2018 were £34,372k (2017: £36,266k). The sum of £1,894k 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	2,085	6,629	25,658	34,372
Finance charge	3,159	11,254	15,928	30,341
Service charge	0	0	0	0
	5,244	17,883	41,586	64,713

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
	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	1,376	1,354	2,697	2,670
Amounts owed by group undertakings:				
Subsidiary undertakings	0	239	0	310
Advance payments in respect of PFI contracts	931	931	1,034	1,034
Amounts due from Department	575	575	905	905
Prepayments and accrued income	943	941	1,765	1,762
Total receivables	3,825	4,040	6,401	6,681

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Group	College	Group	College
	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Service concession arrangements	2,085	2,085	1,894	1,894
Payments received in advance	2,238	2,236	1,767	1,767
Trade payables	34	34	19	19
Amounts owed to group undertakings:				
Subsidiary undertakings	0	0	0	0
Taxation and social security	1,209	1,207	1,114	1,111
Accruals and deferred income	5,670	5,653	5,728	5,699
Other payables	5	5	8	8
Amounts owed to the Department	103	103	133	133
Total	<u>11,344</u>	<u>11,323</u>	<u>10,663</u>	<u>10,631</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
	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Donations	0	0	0	0
Grant income	1,292	1,285	1,312	1,303
Other income	0	0	0	0
	<u>1,292</u>	<u>1,285</u>	<u>1,312</u>	<u>1,303</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	College	Group	College
	2018	2018	2017	2017
	£'000	£'000	£'000	£'000
Deferred income	25,925	25,522	26,579	26,177
Service concession liabilities due after one year	<u>32,287</u>	<u>32,287</u>	<u>34,372</u>	<u>34,372</u>
Total creditors after one year	<u>58,212</u>	<u>57,809</u>	<u>60,951</u>	<u>60,549</u>

20. ENDOWMENT RESERVES

	Restricted permanent	Unrestricted permanent	Expendable endowments	2018 Total	2017 Total
	£'000	£'000	£'000	£'000	£'000
At 1 August	0	224	0	224	251
Capital					
Accumulated income	0	224	0	224	251
New endowments	0	0	0	0	0
Income for year	0	2	0	2	2
Expenditure for year	0	(26)	0	(26)	(51)
(Decrease)/increase in market value of investments	0	12	0	12	22
At 31 July	<u>0</u>	<u>212</u>	<u>0</u>	<u>212</u>	<u>224</u>

21. CASH AND CASH EQUIVALENTS

	As 1 August 2017	Cash Flows	At 31 July 2018
	£'000	£'000	£'000
Cash and Cash equivalents	<u>3,748</u>	893	<u>4,641</u>
	0	0	0
At 31 July	<u>3,748</u>	<u>893</u>	<u>4,641</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

	2018	2017
	£'000	£'000
NITPS: contributions paid	2,568	2,472
NILGOSC: contributions paid	1,627	1,541
NILGOSC: FRS 102 (28) adjustments	1,105	916
NEST: contributions paid	<u>12</u>	<u>10</u>
Charge to the Consolidated Statement of Comprehensive Income (staff costs)	5,312	4,939
Enhanced pension charge to the Consolidated Statement of Comprehensive Income (staff costs)	<u>0</u>	<u>0</u>
Total pension cost for the year	<u>5,312</u>	<u>4,939</u>

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 2014 and NILGOSC was 31 March 2016.

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 in the explanatory booklet dated November 2007, and on the Department of Education's website at www.deni.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 17.7% from 1 April 2015.

From 1st April 2017 the bands changed to those below:

Salary

Up to £26,259	7.4%
£26,260 to £35,349	8.6%
£35,350 to £41,914	9.6%
£41,915 to £55,549	10.2%
£55,550 to £75,749	11.3%
£75,750 and above	11.7%

The NITPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme, and therefore, as required by FRS 102 (28), accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period. The college has set out above the information available on the scheme and the implications for the college in terms of the anticipated contribution rates.

NILGOSC

NILGOSC is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme Regulations (Northern Ireland) 2002, as amended. It is contracted out of the state pension scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2018 by a qualified actuary.

Principal actuarial assumptions

Principal actuarial assumptions at the balance sheet date are as follows:

	At 31 July 2018	At 31 July 2017
Rate of increase in salaries	3.6%	3.5%
Rate of increase for pensions in payment/inflation	2.1%	2.0%
Discount rate for scheme liabilities	2.8%	2.6%
Inflation assumption (CPI)	2.1%	2.0%
Commutation of pensions to lump sums	N/A	N/A

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 2018	At 31 July 2017
<i>Retiring today</i>		
Males	23.3	23.2
Females	25.9	25.8
<i>Retiring in 20 years</i>		
Males	25.5	25.4
Females	28.2	28.1

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 2018	Value at 31 July 2018 £'000	Long-term rate of return expected at 31 July 2017	Value at 31 July 2017 £'000
Equities	61.1%	42,119	74.2%	45,536
Bonds	22.9%	15,786	11.1%	6,812
Property	10.2%	7,031	9.9%	6,075
Cash and other	5.8%	3,998	4.8%	2,946
Total		68,934		61,369

Amounts recognised in the balance sheet

	2018 £'000	2017 £'000
Scheme assets	68,934	61,369
Scheme liabilities	(81,252)	(78,620)
Deficit in the scheme (net pension liability recorded within pension provisions)	(12,318)	(17,251)

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	2018 £'000	2017 £'000
Amounts included in staff costs		
Employer service cost (net of employee contributions)	2,856	2,604
Past service cost	<u>0</u>	<u>0</u>
Total	2,856	2,604

Analysis of pension finance income/(costs)

	2018 £'000	2017 £'000
Expected return on pension scheme assets	1,606	1,442
Interest cost	(2,032)	(1,983)
Interest on net deficit	<u>0</u>	<u>0</u>
Net charge to other finance income	<u>(426)</u>	<u>(541)</u>

Analysis of Other Comprehensive Income for pensions

	2018 £'000	2017 £'000
Actuarial gains on pension scheme assets	5,168	(493)
Actuarial gains/losses on scheme liabilities	1,296	8,117
Past service credit arising on change of pension increase assumption in year		
Total Other Comprehensive Income	<u>6,464</u>	<u>7,624</u>

Movement in surplus/(deficit) during the year

	2018 £'000	2017 £'000
Surplus/(deficit) in scheme at 1 August	(17,251)	(23,418)
Movement in the year:		
Employer service cost (net of employee contributions)	(2,856)	(2,604)
Employer contributions	1,751	1,688
Past service cost	0	0
Net interest/return on assets	(426)	(541)
Actuarial gain or loss recognised in Other Comprehensive Income	<u>6,464</u>	<u>7,624</u>
Surplus/(deficit) in scheme at 31 July	<u>(12,318)</u>	<u>(17,251)</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

Asset and liability reconciliation

	2018 £'000	2017 £'000
Reconciliation of liabilities		
Liabilities at start of period	78,620	83,135
Service cost	2,856	2,604
Interest cost	2,032	1,983
Employee contributions	574	520
Experience gains and losses on scheme liabilities	0	0
Actuarial (gain)/loss	(1,296)	(8,117)
Benefits paid	(1,534)	(1,505)
Past service cost	0	0
Curtailments and settlements	0	0
	<u>0</u>	<u>0</u>
Liabilities at end of period	<u>81,252</u>	<u>78,620</u>
Reconciliation of assets		
Assets at start of period	61,369	59,717
Expected return on assets	1,606	1,442
Actuarial gain/(loss)	5,168	(493)
Employer contributions	1,751	1,688
Employee contributions	574	520
Benefits paid	(1,534)	(1,505)
	<u>(1,534)</u>	<u>(1,505)</u>
Assets at end of period	<u>68,934</u>	<u>61,369</u>

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 1%.

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	
	2018	2017
	£'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	0	58
Expiring within two and five years inclusive	68	0
Expiring in over five years	0	0
Total	68	58

NOTES TO THE FINANCIAL STATEMENTS (continued)

26. CONTINGENT LIABILITY

The College has a possible obligation in relation to outstanding pay revalorisation (cost of living increases) for those staff who are contracted under the “Contract for Lecturers” and Other Senior Staff.

The possible obligation relates to the following periods 2015/16, 2016/17 and 2017/18, with the main issue of uncertainty being affordability.

It is not possible to make a reliable estimate of the financial effect of the possible obligation as at 31 July 2018.

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 / Senior Manager	Company	Role	Transactions (AP/AR*) 2018 £'000	Transactions 2017 £'000	Amount outstanding at 31 July 2018 £'000	Amount outstanding at 31 July 2017 £'000
Kay Collins	G McG Belfast Limited	Nominated to Belfast Met by BELB	0 & 1	0	1	0
Jim McCall	NI Water	Non-Executive Director	105 & 0	63 & 1	0	0
	NIHSCT	Non-Executive Director	1 & 0	0	0	0
	NI Housing Executive	Non-Executive Director	0 & 12	0 & 13	0	0
Wendy Langham	Odyssey Trust Company	Head of Social Affairs	1 & 0	0	0	0
Kathleen O'Hare	CCEA	Member	85 & 74	89 & 41	0	0
John McGrillen	Tourism NI	Chief Executive	0 & 2	1 & 1	0	0
Maureen Walkingshaw	British Telecom	Former Employee	1,264 & 0	95 & 0	0	0
Brian Wilson	British Council	Employee	2 & 8	1 & 8	5	1
	CCEA	Member	85 & 74	89 & 41	0	0
Senior Managers						
Marie-Therese McGivern	Strategic Investment Board	Non-Executive Director	0	7 & 0	0	0
	Bombardier PLC	Non-Executive Director	0 & 18	0 & 58	9	0
Gillian Magee	RC2020	Executive Director	0 & 3	3 & 42	0	0 & 42

- AP/AR – Accounts Payable/ Accounts Receivable

NOTES TO THE FINANCIAL STATEMENTS (continued)

28. AMOUNTS DISBURSED AS AGENT

Support Funds

	2018 £'000	2017 £'000
DfE Grants	756	810
Interest earned	<u>0</u>	<u>0</u>
	756	810
Disbursed to students	(677)	(778)
Audit fees	<u>0</u>	<u>0</u>
Balance unspent at 31 July	<u>79</u>	<u>32</u>

Care to Learn

	2018 £'000	2017 £'000
DfE Grants	13	26
Interest earned	<u>0</u>	<u>0</u>
	13	26
Disbursed to students	(13)	(26)
Audit fees	<u>0</u>	<u>0</u>
Balance unspent at 31 July	<u>0</u>	<u>0</u>

29. LOSSES AND SPECIAL PAYMENTS

In the period 1 August 2017 to 31 July 2018 bad debts totalling £14,023 (16/17 £81,774) were written off which were mainly student fees.

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	2018 £'000	2017 £'000
INCOME			
DfE income (non grant-in-aid items)	1	3,971	4,108
Education contracts		774	932
Tuition fees and charges		8,863	8,353
Other grant income		1,614	409
Other operating income		1,551	1,561
Endowment and Investment income		14	29
Total incoming resources		16,787	15,392
EXPENDITURE			
Staff costs		35,862	34,055
Other operating expenses		23,734	23,324
Depreciation		3,889	3,975
Interest and other finance costs		426	541
Total resources expended		(63,911)	(61,895)
Net deficit for the year		(47,124)	(46,503)
Unrealised surplus on revaluation of land and buildings		8,325	3,361
Actuarial (loss)/gain in respect of pension scheme		6,464	7,624
Transfer due to endowment asset investments		(12)	(27)
Amount transferred to reserves		(32,347)	(35,545)
Analysis of reserves prepared under FReM			
		2018 £'000	2017 £'000
Balance at 1 August		27,226	19,967
Grant-in-aid received in year		42,820	42,804
Net operating cost for year [<i>amount transferred to reserves</i>]		(32,347)	(35,545)
Balance at 31 July		37,699	27,226

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