

Charity Registration number: NIC103892  
Registered number: NI061218

# **Belfast Metropolitan College Trust**

(a company limited by guarantee)

## **Annual report and financial statements**

**for the year ended 31 July 2019**

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**(a company limited by guarantee)**

## **Annual report and financial statements for the year ended 31 July 2019**

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# **Belfast Metropolitan College Trust**

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(a company limited by guarantee)

## **Reference and administrative details**

### **Trustees/Directors**

Ms Kate Burns, Chairperson  
Professor Kenneth O'Neill  
Mr Brian Wilson  
Mr John McAndrew (resigned 31 December 2018)  
Mr Philip Cassidy (resigned 9 December 2018)  
Mr F Bryan (resigned 14 January 2019)

### **Company secretary**

Mr Gerry Crossan

### **Non-executive Trustees**

Staff representative: Kerry Power  
Student representative: Dylan Boyd

### **Registered office / principal office**

125-153 Millfield  
Belfast  
BT1 1HS

### **Solicitors**

Cleaver Fulton Rankin  
50 Bedford Street  
Belfast  
BT2 7FW

### **Bankers**

Danske Bank  
PO Box 183  
Donegall Square West  
Belfast  
BT1 6JS

### **Independent auditors**

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PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Waterfront Plaza  
8 Laganbank Road  
Belfast  
BT1 3LR

(a company limited by guarantee)

## Trustees' report for the year ended 31 July 2019

The trustees, who are also the directors of the Trust for the purposes of the Companies Act 2006, present their annual report and the audited financial statements for the year ended 31 July 2019.

### Reference and administration details

Details of the registered office, trustees, independent advisers and other relevant information are given on page 1.

### Structure, governance and management

#### Governing document

Belfast Metropolitan College Trust is a company limited by guarantee governed by its Memorandum and Articles of Association.

#### Trustees

Trustees are not currently members of the Trust. Current Trustees were appointed by the College Governing Body. All trustees are guarantors of the Trust with a maximum liability of £1. The trustees of the company who were in office during the year and up to the date of signing the financial statements are set out on page 1.

#### Appointment of trustees

Each Trustee appointed to the Board retires every four years but can offer themselves for re-election. During the year under review the Trustees met on four occasions. Trustees can also be appointed by written ordinary resolution approved by the member. Nominated Trustees are appointed by election.

#### Trustee induction and training

The Trust ensures that appropriate induction and training is given to all Trustees. The Trust ensures Trustees are aware of their responsibilities on Corporate Governance. Trustees have attended governance training.

#### Organisation

The Trustees manage all business decisions and meet on a regular basis.

The Trust was registered as a charity by The Charity Commission for Northern Ireland on 12 November 2015.

#### Risk management

The Trustees are responsible for ensuring that an effective system of internal financial control is maintained and operated by the Trust. The system of internal financial control is based on a framework of regular management information; administrative procedures; and a system of delegation and accountability and is designed to provide reasonable assurance that:

- the Trust is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- proper records are maintained and financial information used within the company or for publication is reliable;
- the Trust complies with relevant laws and regulations; and
- the Trust's systems of financial control are designed to provide reasonable, but not absolute assurance against material misstatement or loss.

The major risks to which the Trust is exposed, as identified by the Trustees, have been reviewed and systems have been established to mitigate those risks.

## Trustees' report for the year ended 31 July 2019 (continued)

### Objectives and activities

The Charity's main objectives for the year were to promote the following purposes for the public benefit:

- the advancement of education, training and skills of students and graduates of Belfast Metropolitan College and such other persons in Northern Ireland; and
- such other exclusively charitable purpose according to the law of Northern Ireland as the Trustees may from time to time decide.

The Charity's main activities for the year were providing scholarship funding to students.

### Trust policies and procedures

The Trust scholarship is funding offered to Belfast Metropolitan College students to support activities beyond the College that will improve future employability.

Eligibility to apply for a Trust scholarship

To be eligible to apply for an award students must meet all the following criteria:

- be a registered student of Belfast Metropolitan College;
- have met all the assessment and financial responsibilities related to the course;
- be at least 18 years old by the application closing date;
- be an EU citizen and/or hold legal residency status;
- obtain a written endorsement for proposed activity from course tutor; and
- sign an agreement with the Trust related to scholarship activities.

### Public benefit statement

The public benefit requirement is defined in the Charities Act (Northern Ireland) 2008 and states that purposes must be for the public benefit to be charitable. The Trustees confirm that they have complied with the duty to have regard to the guidance issued by the Charity Commission for Northern Ireland under section 4(b) of the Charities Act (the public benefit requirement statutory guidance). The Trust's board believe that they have made the advancement of students' education possible. The objective is to advance the education and training of students by providing financial and other assistance which would not have otherwise been possible. To this end 15 awards have been made in total.

### Achievements and performance

Of particular note:

The Belfast Met Charitable Trust Scholarship scheme is one of the Trust's flagship programmes and continues to grow in popularity and awareness. The Scholarship Scheme was established in 2006/07 and provides shortfall funding to enable eligible students to pursue opportunities which are over and above the experience that they have as part of their learning programme with the College. The Trust made 13 awards in 2018/19.

The Belfast Met Charitable Trust Mentoring Programme seeks to support some of the most vulnerable students from the College to include those who are Leaving Care; or are Carers; or are Single parents; or who are in contact with the criminal justice system. The programme provides practical support to College students in taking forward their studies, assessments and coursework.

## **Trustees' report for the year ended 31 July 2019 (continued)**

### **Fundraising**

There were no fundraising events organised in the financial year.

### **Financial review**

The Trust has awarded £13,408 in the year 2018-19. (2017-18: £15,191)

### **Investment policy**

The trustees have the power to invest in such assets as they see fit.

### **Reserves policy**

The total funds of the charity as at 31 July 2019 were £207,663 (2018: £211,576). Of these total funds, £7,057 (2018: £4,057) are held for restricted purposes and are not available for general purposes of the charity. The charity's policy is to retain a level of free reserves which matches the needs of the Charity both at the current time and in the foreseeable future. Free reserves are those unrestricted reserves, excluding fixed assets. The charity aims to retain sufficient reserves equivalent to twelve months' annual expenditure. Free reserves at 31 March 2019 were £17,237 (2018: £1,858) (general funds minus fixed assets and designated funds), equivalent to twelve month's forward expenditure based on 2018/19 expenditure.

The reserves policy is reviewed annually by the Trustees. Free reserves stand at £17,237. It is anticipated that a portion of the free reserves will be expended within the 2019/20 financial year as the Trust is in the process of developing a plan to increase income and extend its bursary and awards to students.

### **Plans for future periods**

The Trust's objective is:

"To advance the education and training of students and graduates of Belfast Metropolitan College."

The Trust will achieve this mainly by providing funding and assisting in the provision of facilities, equipment, premises, resources and other items, including prizes and bursaries. Trust Funds are over and beyond the statutory support provided by the Department for the Economy (DfE): hence they allow the pursuit of projects which are not otherwise possible for Belfast Metropolitan College students.

Its strategic targets are:

- to raise the profile of the Trust locally, regionally, nationally and internationally;
- to build the Trust Fund through a range of fundraising activity;
- to distribute Trust Funds to students through a structured 'call' process; and
- to use the Trust to add value and enhance the quality of the student experience at Belfast Metropolitan College and enhance its reputation.

It will therefore work to:

- increase its public profile and public awareness and will actively market its activities;
- seek the support of past students and staff and business community to attract donations to increase its funds; expand its support to students in 2019/20;
- extend the membership of the Trust Board; and
- continue to strive for good governance by continuing to offer information and training to the Board of Trustees.

### **Funds held as custodian trustees on behalf of others**

The charity holds no funds as custodian trustees on behalf of others.

## Trustees' report for the year ended 31 July 2019 (continued)

### Statement of trustees' responsibilities in respect of the financial statements

The trustees (who are also directors of Belfast Metropolitan College Trust for the purposes of Company Law) are responsible for preparing the Trustees' Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Statement of disclosure of information to auditors

So far as each of the trustees in office at the date of approval of these financial statements is aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

### Small companies' exemption

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**Trustees' report for the year ended 31 July 2019 (continued)**

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the Board



Kate Burns (Chairperson)  
Trustee

12 November 2019

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## Report on the audit of the financial statements

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### Opinion

In our opinion, Belfast Metropolitan College Trust's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 July 2019; the statement of financial activities (including income and expenditure account) for the year then ended; and the notes to the financial statements which include a description of the significant accounting policies.

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### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Independence*

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charity's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charity's activities and the wider economy.

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### Reporting on other information

The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

## Independent auditors' report to the members of Belfast Metropolitan College Trust (continued)

### *Trustees' report*

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Trustees' report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Annual report. We have nothing to report in this respect.

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### Responsibilities for the financial statements and the audit

#### *Responsibilities of the trustees for the financial statements*

As explained more fully in the Statement of trustees' responsibilities in respect of the financial statements set out on page 5, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

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

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

#### *Use of this report*

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the charitable company or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

**Independent auditors' report to the members of Belfast Metropolitan College Trust (continued)**

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**Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Trustees were not entitled to: prepare financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from preparing a Strategic Report. We have no exceptions to report arising from this responsibility.

*Brenda Heenan*

Brenda Heenan (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Belfast

*13 November 2019*

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# Belfast Metropolitan College Trust

(a company limited by guarantee)

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## Statement of financial activities (including income and expenditure account) for the year ended 31 July 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Unrestricted funds 2018	Restricted funds 2018	2018 £
<b>Incoming resources/income</b>						
<b>Incoming resources from generated funds</b>						
- Donations and voluntary income	5	2,171	4,000	1,751	-	1,751
- Investment income	6	263	-	233	-	233
<b>Total incoming resources</b>		<b>2,434</b>	<b>4,000</b>	<b>1,984</b>	<b>-</b>	<b>1,984</b>
<b>Resources expended/expenditure</b>						
Cost of generating funds	7	2,667	-	9,276	-	9,276
Charitable activities	8	12,408	1,000	14,191	1,000	15,191
Governance costs	9	1,980	-	1,680	-	1,680
<b>Total resources expended</b>		<b>17,055</b>	<b>1,000</b>	<b>25,147</b>	<b>1,000</b>	<b>26,147</b>
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>		<b>(14,621)</b>	<b>3,000</b>	<b>(23,163)</b>	<b>-</b>	<b>(24,163)</b>
<b>Other recognised gains and losses</b>						
Gain on revaluation on investments	14	7,708	-	12,764	-	12,764
<b>Net movement in funds</b>		<b>(6,913)</b>	<b>3,000</b>	<b>(10,780)</b>	<b>(1,000)</b>	<b>(11,399)</b>
Fund balances brought forward at 1 August		207,519	4,057	217,918	5,057	222,975
<b>Fund balances carried forward at 31 July</b>	<b>16</b>	<b>200,606</b>	<b>7,057</b>	<b>207,138</b>	<b>4,057</b>	<b>211,576</b>

All amounts above relate to continuing operations of the Trust.

The Trust has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no material difference between the net movement in funds for the years stated above, and their historical cost equivalents.

# Belfast Metropolitan College Trust

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## Balance sheet as at 31 July 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	14	183,369	205,661
		<b>183,369</b>	<b>205,661</b>
<b>Current assets</b>			
Cash at bank and in hand		28,889	45,849
		<b>28,889</b>	<b>45,849</b>
<b>Creditors: amounts falling due within one year</b>	15	<b>(4,595)</b>	<b>(39,934)</b>
<b>Net current assets</b>		<b>24,294</b>	<b>5,915</b>
<b>Net assets</b>		<b>207,663</b>	<b>211,576</b>
<b>The funds of the charity:</b>			
Unrestricted funds	16	200,606	207,519
Restricted funds	17	7,057	4,057
<b>Total charity funds</b>		<b>207,663</b>	<b>211,576</b>

The financial statements on pages 10 to 18 were approved by the board of trustees on 12 November 2019 and were signed on its behalf by:



Kate Burns (Chairperson)  
Trustee

Charity Registration number: 103892

Registered number: NI061218

The notes on pages 12 to 18 form an integral part of these financial statements.

## Notes to the financial statements for the year ended 31 July 2019

### 1 General information

Belfast Metropolitan College Trust is a charity that provides scholarship funding to students. The company is limited by guarantee and incorporated in Northern Ireland. The address of its registered office is 125-153 Millfield, Belfast, BT1 1HS.

### 2 Statement of Compliance

The individual financial statements of the Belfast Metropolitan College Trust have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102), and effective 1 January 2015, Charities SORP (FRS 102), the Charities Act (Northern Ireland) 2008 and the Companies Act 2006.

### 3 Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

#### a) Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention unless otherwise stated in the relevant accounting policy note(s).

The trustees have prepared the financial statements on the going concern basis, giving careful consideration to the results during the financial year. Taking account of the risk review undertaken by the Trustees they do not consider there to be a risk to the going concern status of the charity.

Belfast Metropolitan College Trust meets the definition of a public benefit entity under FRS 102. Certain comparative amounts in the financial statements have been reclassified to conform to changes in presentation in the current year. Assets and liabilities are initially recognised at historical cost and transaction value unless otherwise stated in the relevant accounting policy note(s).

#### b) Exemptions from qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the charity's trustees.

The charity has taken advantage of the following exemptions: the preparation of a statement of cash flows under FRS 102 paragraph 1.12(b).

#### c) Incoming resources

All incoming resources are recognised in the statement of financial activities in the year in which they are receivable, Grants received for capital expenditure are treated as restricted income and are released to the general fund over the expected useful lives of the assets to which they relate. When the restriction ceases to exist, the full remaining book value is transferred to unrestricted funds.

#### Voluntary income

Voluntary income is credited to revenue on a receivable basis. This includes legacies which are accounted for on receipt of correspondence from the personal representative indicating that payment of the legacy will be made. Gifts in kind are valued at a reasonable estimate of their value to the trust and gifts donated for resale are included as income when they are sold.

#### Activities for generating funds

Income is generated from fundraising events and is included in full in the Statement of Financial Activities on an accruals basis.

**Notes to the financial statements for the year ended 31 July 2019**

**3 Accounting policies (continued)**

**Investment income**

Investment income is included in full in the Statement of Financial Activities on an accruals basis.

**d) Resources expended**

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category.

**Charitable activities**

Charitable expenditure comprises those costs incurred by the Trust in the delivery of its activities and services for its beneficiaries. It included both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to supply them.

**Cost of generating funds**

Cost of generating funds includes investment management fees and services and are included in full in the Statement of Financial Activities on an accruals basis.

**Governance costs**

Governance costs include those incurred in the governance of its assets and are associated with constitutional statutory and strategic requirements.

**e) Fund accounting**

The Trust has two types of funds for which it is responsible and which require separate disclosure. A definition of the various types of funds is as follows:

**Unrestricted funds**

Funds which are expendable at the discretion of the Trust in furtherance of its objectives. In addition to expenditure on activities such funds may be held in order to finance capital investment and working capital.

**Restricted funds**

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overheads and support costs.

**Irrecoverable VAT**

The Trust is not registered for VAT purposes, therefore expenditure is shown gross of VAT.

**f) Investments**

Investments are stated at mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are shown separately in the statement of financial activities.

**g) Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**Notes to the financial statements for the year ended 31 July 2019 (continued)**

**3 Accounting Policies (continued)**

**h) Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit). The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use.

Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Statement of financial activities. If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Statement of financial activities.

**i) Financial instruments**

The charity have chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**i) Financial assets**

Basic financial assets, including trade and other debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period, financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of financial activities. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of financial activities.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures are initially measured at fair value. The quoted market value is used to determine fair value. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**ii) Financial liabilities**

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.



**Notes to the financial statements for the year ended 31 July 2019**

**4 Critical Accounting Judgements and Estimation Uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

*Critical judgements in applying the entity's accounting policies*

There are no critical judgements in applying the charity's accounting policies.

*Critical accounting estimates and assumptions*

There are no critical accounting estimates and assumptions.

**5 Donations and voluntary income**

	Unrestricted funds	Restricted funds	2019 Total	Unrestricted funds	Restricted funds	2018 Total
	£	£	£	£	£	£
Belfast Metropolitan College in-kind contribution	2,171	-	2,171	1,751	-	1,751
KQM Services Ltd	-	4,000	4,000	-	-	-
	2,171	4,000	6,171	1,751	-	1,751

**6 Investment income**

	Unrestricted funds	Restricted funds	2019 Total	Unrestricted funds	Restricted funds	2018 Total
	£	£	£	£	£	£
<b>Investment income</b>						
Treasury stock interest	263	-	263	233	-	233
	263	-	263	233	-	233

**7 Cost of generating funds**

	Unrestricted funds	Restricted funds	2019 Total	Unrestricted funds	Restricted funds	2018 Total
	£	£	£	£	£	£
Belfast Metropolitan College in-kind costs	2,171	-	2,171	1,751	-	1,751
Other costs	496	-	496	7,525	-	7,525
	2,667	-	2,667	9,276	-	9,276

**Notes to the financial statements for the year ended 31 July 2019****8 Charitable activities**

	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Student bursary awards	12,408	-	<b>12,408</b>	14,191	-	14,191
Student departmental awards	-	1,000	<b>1,000</b>	-	1,000	1,000
	12,408	1,000	<b>13,408</b>	14,191	1,000	15,191

**9 Governance costs**

	2019 £	2018 £
Fees paid to the company's auditors for the audit of the financial statements	<b>1,980</b>	1,680

**10 Net outgoing resources before other recognised gains and losses**

	2019 £	2018 £
<b>Net outgoing resources:</b>		
Fees paid to the company's auditors for the audit of the financial statements	<b>1,980</b>	1,980

**11 Employee information**

The Trust has no employees (2018: Nil).

**12 Trustees' emoluments**

The Trustees received no remuneration or reimbursement of expenses in respect of their services as a Trustee of the Trust (2018: £nil).

No indemnity insurance for Trustees' liability has been purchased by the Trust (2018: nil).

**13 Taxation**

The Trust is a registered charity and, as such, is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the Trust's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

The Trust is not registered for VAT and accordingly, its expenditure is inclusive of any VAT incurred.

## Notes to the financial statements for the year ended 31 July 2019

### 14 Investments

	2019	2018
	£	£
At 1 August	205,661	237,897
Revaluation gain on investments	7,708	12,764
Disposals	(30,000)	(45,000)
<b>At 31 July</b>	<b>183,369</b>	<b>205,661</b>

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 July are as follows:

	2019	2019	2018	2018
	£	%	£	%
Fidelity Investments	183,369	100	205,661	100

### 15 Creditors: amounts falling due within one year

	2019	2018
	£	£
Amounts owed to parent undertaking	-	36,384
Accruals and deferred income	4,595	3,550
	<b>4,595</b>	<b>39,934</b>

Amounts owed to parent undertakings are unsecured, interest free and repayable on demand.

### 16 Unrestricted funds

	2019	2018
	£	£
At 1 August	207,519	217,519
Net outgoing resources for the financial year	(6,913)	(10,399)
<b>At 31 July</b>	<b>200,606</b>	<b>207,519</b>

### 17 Restricted funds

	Balance at	Movement in funds		Balance at
	1 August 2018	Income	Expenditure	31 July 2019
	£	£	£	£
Scott Lowry Fund	4,057	-	(1,000)	3,057
KQM Services Ltd Bursary	-	4,000	-	4,000
<b>Total</b>	<b>4,057</b>	<b>4,000</b>	<b>(1,000)</b>	<b>7,057</b>

The Scott Lowry Fund was created following the death of Scott Lowry a former student of the College. The award made annually to the best student in Multi Media/Graphic Design Studies.

The KQM Services Ltd Bursary was created as an Electrical and Electronic Engineering Bursary.

**Notes to the financial statements for the year ended 31 July 2019****17 Restricted funds (continued)**

	Balance at	Movement in funds		Balance at
	1 August 2017	Income	Expenditure	31 July 2018
	£	£	£	£
Scott Lowry Fund	5,057	-	(1,000)	4,057

The Scott Lowry Fund was created following the death of Scott Lowry a former student of the College. The award made annually to the best student in Multi Media/Graphic Design Studies.

**18 Analysis of net assets between funds**

	Unrestricted funds £	Restricted funds £	2019 Total £	Unrestricted funds £	Restricted funds £	2018 Total £
Investments	183,369	-	183,369	205,661	-	205,661
Net current assets	17,237	7,057	24,294	1,858	4,057	5,915
	200,606	7,057	207,663	207,519	4,057	211,576

**19 Liability of members**

Belfast Metropolitan College Trust is a company limited by guarantee and does not have a share capital. It is governed by its Memorandum and Articles of Association. The liability of members is limited to an amount not exceeding £1. The number of members at 31 July 2019 was one (2018: one).

**20 Related party transactions**

During the year, the charity's parent company, Belfast Metropolitan College, provided administrative services such as finance support and administrative supports. These services were gifted in kind to the charity and amounted to £2,171 (2018: £1,751)

Amounts owed to the charity's parent company at the year end were £nil (2018: £36,384).

No other related party transactions were noted.

**21 Ultimate controlling party**

The ultimate controlling party is Belfast Metropolitan College.