

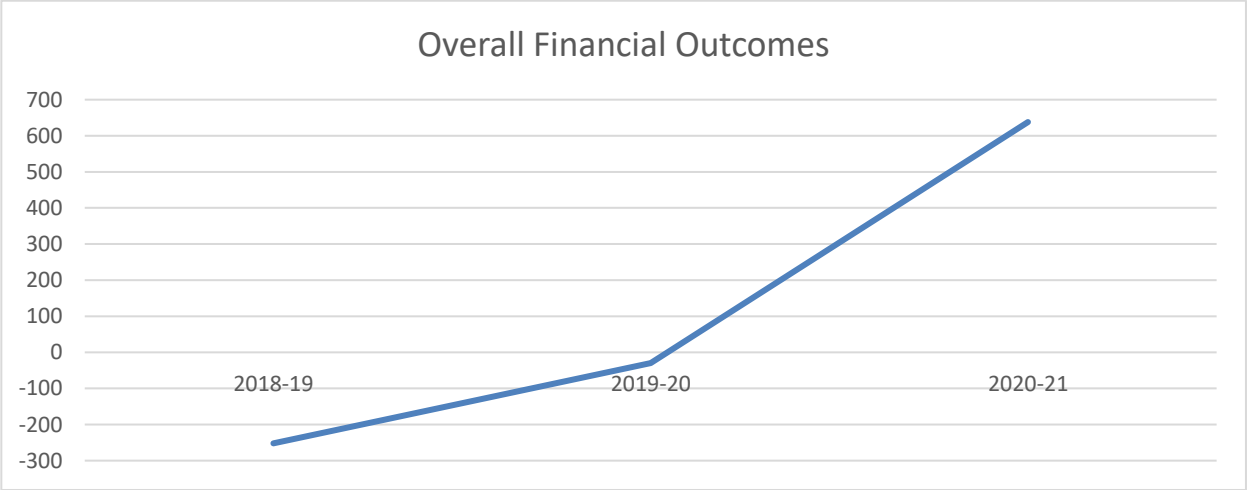
**METHODIST COLLEGE BELFAST
TREASURER’S REPORT FOR THE YEAR ENDED 31 MARCH 2021**

Methodist College is one of Northern Ireland’s leading co-educational grammar schools and opened in 1868. The College was founded by the Conference of the Methodist Church in Ireland and is a very successful non-denominational, co-educational grammar school where pupils of all faiths and none are welcomed into a safe, supportive and inclusive environment which offers equal opportunities to all. Having enjoyed 150 successful years, the College is committed to carrying this history of success into the future. The school has an outstanding reputation for academic excellence and achievement in music, drama, sport and many other extra-curricular activities. The wide range of academic subjects and activities offered allows our pupils to develop wherever their interests lie. The College’s aim is to provide the environment to encourage all its pupils to develop into enthusiastic, confident and tolerant young people who have respect for themselves and for others and who will be able to contribute fully to the world in which they will live and work. The College’s Secondary Department is attended by 1802 pupils and the Preparatory Department by 238 pupils.

The College’s main campus is situated at Malone Road, Belfast where the College’s Secondary Department is located together with Fullerton House, one of the College’s preparatory schools. The College’s other preparatory school, Downey House, is located at Pirrie Park where there is extensive open space together with the College’s games and sports facilities. There is also a modern and well equipped boat house beside the River Lagan and an artificial turf hockey pitch at Deramore Park.

The activities of the College and the financial results for this year have been greatly affected by the Pandemic. It caused major difficulties for the pupils, teaching staff, other staff and parents who all reacted in a positive manner. The Principal and staff had to react quickly to keep the College functioning and safe. This meant increased costs and a loss of rental income which were met at a later stage by a Government grant towards loss of income. A high level of education continued throughout a most difficult year. The Board of Governors thank everyone for their efforts in keeping the College community as normal as possible. For the financial year 2020-21 the College recorded a total surplus of £638k and a deficit of £30k for the previous year. The improvement in financial performance is primarily related to the release of a provision held to cover teaching salary increases together with a reduction in costs as a result of Covid, for example examination fees.

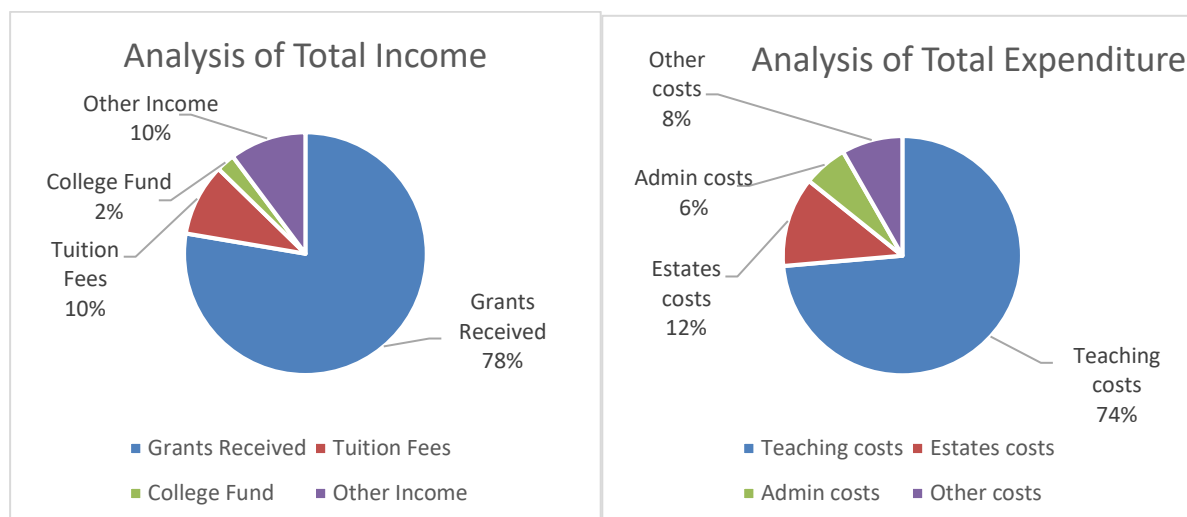
The future funding of all schools remains extremely challenging and the College is obliged to make real cuts in expenditure each year. While we all hope that the worst effects of Covid 19 are over, it is certain that the financial effects will be felt in the next financial year. The Governors are confident that the College will continue to deliver a top class service in this very difficult financial environment.



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A summary of the results for the year is as follows:

	Total	Secondary Dept.	Preparatory Dept.
	£000	£000	£000
Income			
Grants Received	10,146	9,990	156
Tuition Fees	1,258	-	1,258
College Fund	325	325	-
Others	1,334	1,049	285
Total Income	13,064	11,364	1,700
Expenditure			
Teaching costs	9,149	7,834	1,315
Estates costs	1,506	1,285	221
Admin costs	746	678	68
Other Costs	1,026	1,026	-
Total Expenditure	12,427	10,823	1,604
Surplus	637	541	96



The Secondary Department offers an extremely wide range of subjects and activities to all the pupils who attend the school. It has an outstanding reputation for academic excellence and success in a very wide range of extra-curricular activities. The school offers the pupils who attend an exceptional experience and opportunities. The financial results over the last five years are as follows:

Financial Year	Surplus/(Deficit) £k
2020-21	541
2019-20	20
2018-19	(219)
2017-18	(196)
2016-17	(118)

As reported above, the current year surplus has arisen due to the release of funds held to cover the teaching pay increase together with a reduction in certain costs due to Covid. The future finances of the College are expected to continue to be difficult due to the level of grant funding reducing in real terms, coupled with significant increases to costs which are largely outside the control of the College. Even by making continuous cost reductions, it has been impossible for the College to cover these significant additional costs. The income from the Prescott Fund (referred to under Bequests and Donations below) will only marginally help with future deficits as the income will be largely directed at providing new services to the College. Therefore, to maintain the service that the College delivers to its pupils and which parents wish

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TREASURER'S REPORT *Continued*

to have for their children, the school relies ever more heavily on parental partnership through contributions to the Annual College Fund. Parents' contributions to the College Fund are absolutely essential to maintain current provision. The Board of Governors would like to express its very sincere thanks and appreciation to all those parents who contribute to this Fund. To those parents who have not contributed to the Fund in the past year I would ask you to consider very seriously making a contribution to assist the school in its work. The College simply cannot provide the range and quality of education and extra-curricular activities it currently provides without these contributions.

The Preparatory Department's two schools, Downey House and Fullerton House provide co-educational learning, excellent standards and outcomes, specialist teaching, convenient locations, a broad curriculum, excellent pastoral care, after school and pre-school services. The numbers of pupils at both Downey and Fullerton has been falling over the past three years and is less than the Governors consider to be appropriate. A specialist member of staff has been recruited to undertake a major effort to recruit an increased number of pupils which should help to redress the underlying continuing deficit. There is music and drama together with a wide range of sports available to the children who attend. There is little government aid available to this Department and so it relies almost entirely on parents paying fees for the education of their children. The results over the last five years are as follows:

Financial Year	Surplus/(Deficit) £k
2020-21	96
2019-20	(51)
2018-19	(32)
2017-18	(11)
2016-17	(26)

The current year surplus has arisen due to a reduction in costs which was possible due to Covid. It is anticipated that Covid-19 will have a significant impact on the Preparatory Department.

Bequests and Donations

The College has been delighted to receive a bequest from the late Mr Richard "Prescott" Kerr, which has been named the Prescott Fund. In keeping with Mr Kerr's interests the Governors have agreed that a proportion of the funds will be used for the promotion of pupil mental health and well-being, improving the learning environment through contributions to capital development projects and enhancing the opportunities for pupils of modest means. The gift of £13.5m has been invested in an ethical fund, ensuring that the benefits of the legacy will endure for generations to come.

The College also received a gift of a House from Mr Ross which is currently sale agreed at £400k.

There were further gifts to the College of just over £50k. The Governors are most grateful for all gifts which will be used to allow the College to continue to strive towards its aims and to meet John Wesley's Challenge to "Do all the good you can, by all the means you can, in all the ways you can, at all the times you can, to all the people you can, as long as ever you can."

Development of the College's Facilities

The College continues to make significant progress with the development of its facilities which will be of great benefit to all the pupils attending the College now and in the future. In the current year the College spent £5.9m and received grant of £4.5m

McArthur Hall was completed in 2018 and has been an excellent addition to the teaching facilities of the College. It has been used for the past 3 academic years on a temporary basis and will be converted to its final use later in 2021 at a cost of £200k which will provide a new Careers library, a Moving Image Art suite and a home to the Business Studies and Modern Foreign Languages departments.

School House is the College's original building and again the Department of Education is providing significant grant aid to fund the refurbishment and development of this historical building with a cost of just over £7 million. When finished in 2021, this building will be a very significant asset for the College and will provide exceptional facilities for pupils for many years to come.

The development of **Pirrie Park** is progressing well, the tender process has commenced to appoint a contractor to replace the two hockey pitches and plans are underway to refurbish the boys and girls changing rooms. The next phase of this project will be the replacement of the surface on the tennis courts which will allow this area to be used in a number of ways. The speed this project is now able to progress is a tribute to Mr Kerr's legacy to the College.

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TREASURER'S REPORT *Continued*

The former Groundsman's House at Pirrie will be extended and converted into a Pre Prep Unit for Downey which is due to be completed in 2022.

The Board of Governors are looking at further improvements to the College Facilities. These include the refurbishment of the Chapel, music facilities, laboratories and a number of other projects at Malone Road.

This development work to the College's facilities is very significant and demonstrates the commitment of the Board of Governors to create a school with facilities which will benefit all our pupils now and in the future. However, such developments have a significant cost involved beyond that borne by the Department of Education. This additional funding is the responsibility of the College and there is the need to raise funds to finance this cost. It is therefore very pleasing that donations continue to be received towards these projects further donations received from benefactors in the past year. The College is extremely grateful to all the donors who support the College in this way. These significant developments which are a significant legacy to the future of the College could not take place without this support.

The College is a major organisation and given the financial challenges being faced by the school it is essential to have good financial management and control. An annual internal audit is carried out by a firm of Independent Internal Auditors during which systems and controls are examined and reported upon. As a result of this year's audit, the College again recorded the highest level of assurance possible. These financial statements have also been audited by external auditors and you will see from the audit report that they have been prepared to a high standard.

The College depends on the expertise, commitment and goodwill of all our staff. The level of service provided to pupils and the outcomes achieved are a credit to everyone and I thank all the staff for their efforts which are greatly appreciated. The College is a significant employer with around 229-part time and full time staff. This is made up of 131 teaching staff and 98 support staff.

We trust that you will continue to support the school in its work in the future, which will be needed in this next challenging period.

Signed:

Mr E Bell, Treasurer
June 2021