

METHODIST COLLEGE BELFAST

TREASURER'S REPORT FOR THE YEAR ENDED 31 MARCH 2022

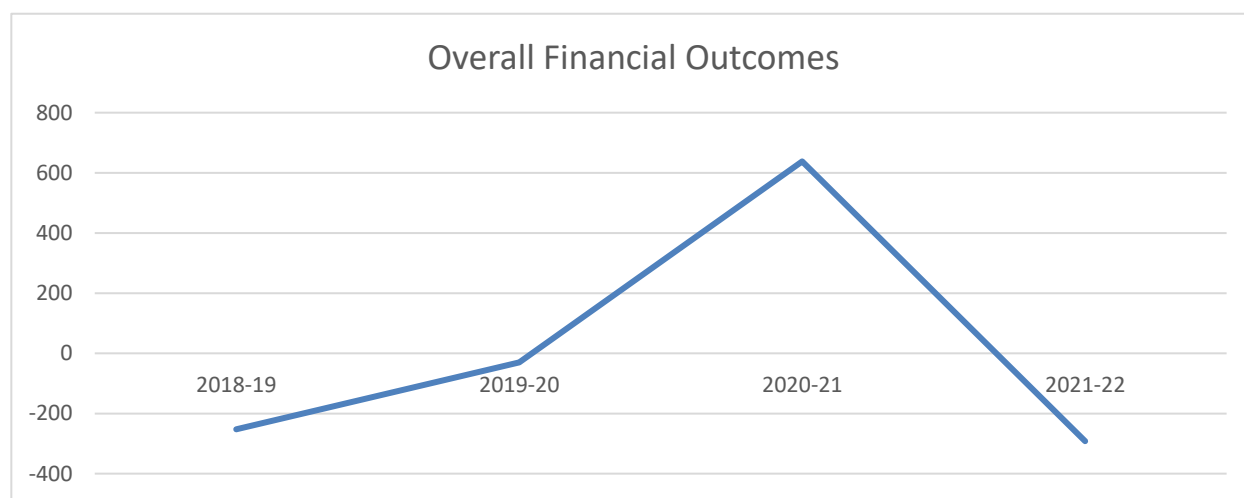
Methodist College is one of Northern Ireland's leading co-educational grammar schools and opened in 1868. The College was founded by the Conference of the Methodist Church in Ireland and is a very successful non-denominational, co-educational grammar school where pupils of all faiths and none are welcomed 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 1796 pupils and the Preparatory Department by 222 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.

For the financial year 2021-22 the College recorded a total deficit of £391k and a surplus of £638k for the previous year. During the previous year the College was impacted significantly by Covid-19, the Government provided grants towards loss of income and other ongoing Covid costs, which together with a reduction in costs due to non-operation of extra-curricular activities resulted in a favourable financial outcome. In comparison, 2021-22 has included some grant towards ongoing Covid costs, however the College's activities have started to return to a more normal level. The Prep Department enrolment continues to fall, which has contributed significantly to the total deficit for the College.

Within the 2021-22 financial year the decision was taken to wind up The Methodist College Pension and Life Assurance Scheme, a pension scheme which has three pensioners. The College is working with the scheme's trustees and administrators on this process and a provision of £100k has been included within the Secondary Department Admin costs line of the summary income and expenditure account to cover the future cost to the College.

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.

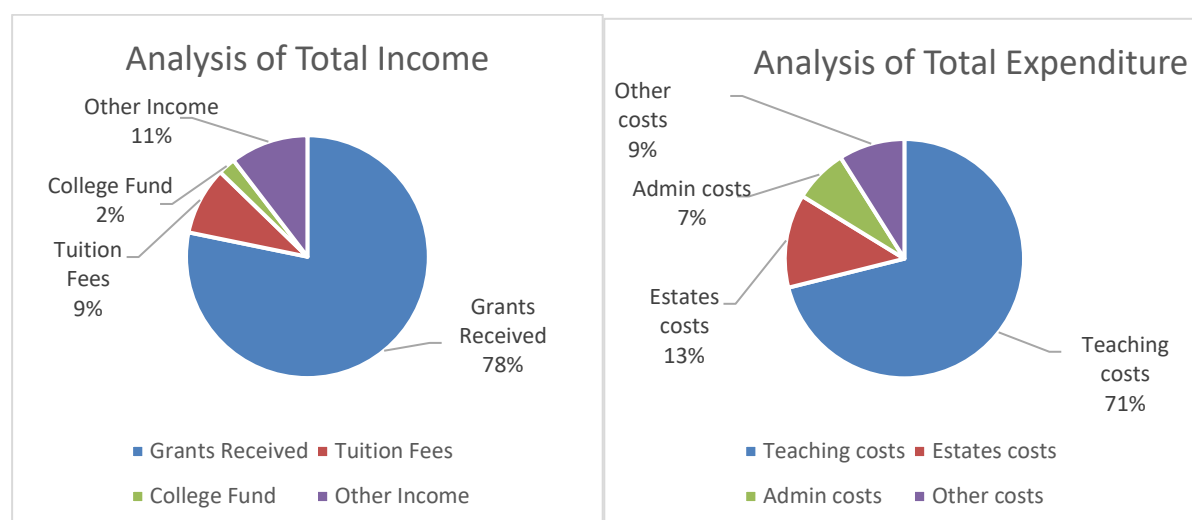


METHODIST COLLEGE BELFAST

TREASURER'S REPORT *Continued*

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

	Total	Secondary Dept.	Preparatory Dept.
Income	£000	£000	£000
Grants Received	10,393	10,237	156
Tuition Fees	1,201	-	1,201
College Fund	310	310	-
Others	1,384	1,121	263
Total Income	13,288	11,668	1,620
Expenditure			
Teaching costs	9,726	8,277	1,449
Estates costs	1,731	1,472	259
Admin costs	998	876	122
Other Costs	1,224	1,224	-
Total Expenditure	13,679	11,849	1,830
Surplus	(391)	(181)	(210)



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
2021-22	(181)
2020-21	541
2019-20	20
2018-19	(219)
2017-18	(196)

There is a deficit in the current financial year in the Secondary Department which will significantly increase next year. 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 and the 2022-23 budget is a significant deficit. 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 to have for their children,

METHODIST COLLEGE BELFAST

TREASURER'S REPORT *Continued*

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
2021-22	(210)
2020-21	96
2019-20	(51)
2018-19	(32)
2017-18	(11)

Bequests and Donations

The Governors continue to be 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."

As reported in the 2021 Treasurers Report in April 2021 the Governors received a bequest of £13.5m from the late Mr Richard "Prescott" Kerr, which has been invested in an ethical fund and named the Prescott Fund. In April 2022, post year end, Governors have been notified that a further £2m will be received from the late Mr Kerr's estate, the bequest is truly transformational.

Income of £549k was received from the Prescott Fund during the year which has enabled the College to set up a new Study Support Unit where a number of full time staff provide additional support for individual pupils. In addition, the Board approved and commenced the replacement of Interactive Whiteboards throughout the College, a project which will benefit all pupils. The College purchased a number of new boats for the Rowing Club and are in the process of renaming the boathouse The Richard Henry (Prescott) Kerr Boathouse.

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 £2.1m and received grant of £1.4m

McArthur Hall was completed in 2018 and has been an excellent addition to the teaching facilities of the College. It now houses the College's Moving Image Arts, Business Studies and Modern Languages departments, together with the McGrath Library and the careers department.

School House was the original school building and its restoration was completed in 2021. It is home to the Mathematics, English, Religious Education and Psychology departments. The building has been listed for an architectural award, and its restoration has seen many of the original features showcased.

The development of **Pirrie Park** is progressing well, the hockey pitch replacement is due to be completed in 2022 and the design phase for replacement changing rooms is underway. 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.

Unfortunately, rising costs (by 70% from the initial estimate) has delayed the commencement of conversion of the former Groundsman's House at Pirrie into a Pre Prep Unit for Downey.

METHODIST COLLEGE BELFAST

TREASURER'S REPORT *Continued*

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 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.

Conclusion

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.

Thanks

This is the end of my term of office as Hon Treasurer and I want to record my thanks for the support given by Scott Naismith who completes his fifteen successful years as Principal, Fiona Woods School Business Manager, staff and fellow Governors.

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 2022