



THE ROYAL BELFAST ACADEMICAL INSTITUTION
ANNUAL TRUSTEE REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Governors, who are also the Trustees for the purposes of Charity Law, present their annual report and accounts for the year ended 31 March 2024.

The accounts have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Institution's Scheme of Endowment and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019)."

History

The Institution was founded by the public subscription of the citizens of Belfast in the early years of the nineteenth century. Members of the Institution are those who have subscribed to the Institution. Membership consists of two classes: Class I & Class II. The Class of membership held is dependent on the amount of the subscription made by the member. A Board of Governors is appointed by the Members of the Institution to govern and manage the Institution.

The foundation stone of the John Soane designed building was laid in July 1810. Belfast Academical Institution opened on 1 February 1814, as both a school for pupils and a college for students. On the occasion, Dr. William Drennan, a founder, spoke of what he envisaged as the main purpose of Inst, which was to *"diffuse useful knowledge, particularly among the middling orders of society, as one of the necessities rather than of the luxuries of life; not to have a good education only the portion of the rich and the noble, but as a patrimony of the whole people"*.

From 1831 until today, the School's full title has been, The Royal Belfast Academical Institution (RBAI). RBAI currently has over one thousand pupils on the main site and over one hundred pupils in the Preparatory Department, Inchmarlo. About one hundred and fifty new pupils enter RBAI every year from a wide variety of backgrounds: social, cultural and academic. The school encourages excellence and participation and ensures that every boy is supported pastorally so that he can perform to his potential.

The School became a charity registered with the Charity Commission for Northern Ireland on 19 April 2021 with charity registration number 108024.

Objectives and activities

a) Purpose

The purpose of the School includes improving education standards, enhancing opportunities, and equipping young men to take their place in society.

b) Activities for achieving the purpose

The Royal Belfast Academical Institution carries out its purposes in the following ways:

- i. By establishing and maintaining a preparatory school for 5 to 11-year-old boys in Belfast.
- ii. By establishing and maintaining a post primary voluntary grammar school for 1,050 boys in Central Belfast.
- iii. By providing education, as prescribed by the Department of Education, and thereby equipping pupils to sit the prescribed examinations for admission to tertiary education, to enter the labour market and generally to enable pupils to take their place in society as good citizens.
- iv. By providing sporting and recreational extra-curricular activities.
- v. By repairing and keeping in good order repair and condition the School estate so that it is fit for the purpose for which it is intended.
- vi. By employing teaching staff to deliver the curricula of the preparatory school and the post primary grammar school.

c) Public Benefit Declaration

The direct benefits which flow from the purpose include improved education standards, enhanced opportunities, and the equipping of young men to take their place in society. All of these benefit the public as a whole. The benefits are demonstrated through the examination results of students following testing, regular evaluation of services and the feedback from students and parents. The benefits are further demonstrated by the large number of boys from every section of society who progress to tertiary education or into employment on leaving school.

The beneficiaries of the charity's activities are the boys who receive their education at the School and society as a whole. There is no private benefit flowing from the purpose.

Achievements and Performance

i. Establishing and maintaining a preparatory school for 5 to 11-year-old boys in Belfast

The Inchmarlo Preparatory Department was established in 1917 and is continuing to provide an education for 5-11 year old boys.

ii. By establishing and maintaining a post primary voluntary grammar school for 1,050 boys in Central Belfast.

The School opened in 1810 and is continuing as a post primary voluntary Grammar School on the College Square East site.

iii. By providing education, as prescribed by the Department of Education, and thereby equipping pupils to sit the prescribed examinations for admission to tertiary education, to enter the labour market and generally to enable pupils to take their place in society as good citizens.

The School is currently providing education to equip pupils to sit the prescribed examinations for admission to tertiary education, to enter the labour market and generally to enable pupils to take their place in society as good citizens.

iv. By providing sporting and recreational facilities for extra-curricular activities.

The School provides sporting and recreational facilities across a wide range of clubs and societies.

v. By repairing and keeping in good order repair and condition the School estate so that it is fit for the purpose for which it is intended.

The Board of Governors continues to invest in a series of capital projects to support the School to deliver its academic and co-curricular objectives.

The School does not receive capital grant aid from the Department of Education/Education Authority and is required to raise its own funds to support capital projects.

vi. By employing teaching staff to deliver the curricula of the preparatory school and the post primary grammar school.

The School employs suitably qualified teachers to deliver the curricula of the preparatory school and the post primary grammar school.

The academic and co-curricular achievements are reported to the Board of Governors at every Board meeting. A report on the property held and the financial position of the School is also presented at every meeting of the Board of Governors.

Fundraising and generating income

RBAI is a category B Voluntary Grammar school. The School receives funding from the Department of Education towards teaching and learning, however it does not receive any capital support towards the upkeep of the School estate. Philanthropy, income from investments and fees from parents form a critical element of the School's capital development plan. Fundraising campaigns are overseen by the RBAI Foundation Office.

Plans for future periods

In order to continue to offer the excellent education that the School has provided for over two hundred years, the Board of Governors has developed a long term vision for the school campus by identifying future needs and priorities of the whole school. The campus vision is to replace the swimming pool and dining hall and ensure all classrooms are fit for purpose. A planning application to deliver the campus vision was submitted to Belfast City Council on 20 February 2024.

Financial Review

The financial statements have been prepared on a going concern basis in accordance with the Statement of Recommended Practice (SORP): Accounting and Reporting for Charities (FRS 102).

The financial statements on pages 23-45 comprise the Statement of Financial Activities, the Balance Sheet, Cashflow Statement and the Notes to the Accounts.

The Statement of Financial Activities shows net income of £899,392 before investment gains of £1,893,625 for the year. The Balance Sheet at 31 March 2024, shows net assets of £42,874,001.

The grant funding from the Education Authority, at just over £6.6m, represents 63% of our total income of £10.6m.

The combined staff costs are £6.8m, equating to over 100% of Common Formula Grant funding, illustrating the challenge of funding the School. Total staff costs represent 69% of total expenditure.

The increase in fees reflects an annual inflationary increase along with stable pupil numbers at the Main School.

Income from the use of premises was restricted during the year due to the closure of the swimming pool in January 2024.

The major challenges faced by the Institution are threefold:

- Firstly, funding the revenue deficit for the Main School due the insufficient funding by the Department of Education
- Secondly, ensuring the Preparatory Department remains viable and
- Thirdly, funding both the maintenance and replacement of buildings on the School Campus.

The Board of Governors, through the Finance and General Purposes Committee, will continue to address all three issues and manage the financial affairs of the Institution to ensure a long and secure future for the School.

The Board receives regular financial reports including Management Accounts at every Board meeting and prepares budgets and capital plans on an annual basis.

Going Concern

The Board of Governors has considered the School's forecasts and projections. The Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. The School, therefore, continues to adopt the going concern basis in preparing its financial statements. The Department of Education has confirmed interim Common Formula Funding allocation of £5,523,152 for the year 2024/25.

Investment powers and policies

The School's assets must be invested in accordance with the Trustee Act (Northern Ireland) 2001 and the School's own 'Scheme of Endowment'. This is enacted by the Investment Committee through the School's Investment policy.

The purpose of the Investments is to provide the School with sufficient income to meet its needs whilst maintaining the value of the capital in real terms.

The School's investments were previously managed by three fund Managers: M&G Investments, Rathbones Investment Management and Abrdn on behalf of the Northern Ireland Central Investment Fund for Charities (NICIFC). Following a tender process, the School transferred all its investments to Cazenove Capital and Newton Investment Management.

Reserves policy

The Governors believe that the School needs unrestricted reserves equivalent to the carrying value of fixed assets, six months working capital outgoing resources, annual capital replacement costs and specific capital project costs. The unrestricted reserves comprise of the general unrestricted reserve and the designated unrestricted reserve.

The recommended level of general unrestricted reserves at 31 March 2024 is £36m comprising of six months working capital, budgeted capital replacement, capital development and investment reserve fund. The general unrestricted reserves at 31 March 2024 were £26.684m. At this level, the Governors feel that they would be able to continue the current activities of the School.

Amounts attributable to land and buildings and other fixed assets will be held in the designated unrestricted reserve, as these assets are held for the long term and are not readily disposable. In the financial year ended 31 March 2024 the Governors have allocated an amount of £14.103m as Designated Funds.

The Reserves Policy is monitored and reviewed at least annually. The Governors actively considers the reserves target, in light of capital development and maintenance plans.

Tax Status

The School is registered as a charity for corporation tax purposes.

Structure, Governance and Management

Governing Document

The Institution is governed by the Scheme of Endowment. A Board of Governors is appointed by the Members of the Institution to govern and manage the Institution. Governors are appointed from within the membership of the Institution.

Appointment or election of Governors

Representative Governors are appointed to serve as for a term of three years. Co-opted Governors, with a specialist interest in education are appointed to serve for a term of three years. Teacher Governors are elected from and by the body of permanent teaching staff in the organisation for a period of four years. Parent Governors are elected from and by the body of parents/guardians of pupils enrolled in the School, including the Preparatory Department, for a period of four years.

The Representative Governors at March 2024 are as follows:

- | | | |
|----------------|---|--|
| Vacate
2024 | } | 1. I.S. Corry, M.D., F.R.C.S. (Orth), Dip.Sports.Med. |
| | | 2. D.S. Croft, M.Sc., B.A., M.I.B. |
| | | 3. A.G. Dick MB BCh MRCP |
| | | 4. C.D. Gowdy, LL.B., (<i>Vice Chairman</i>) |
| | | 5. W.J. Keith, O.B.E., M.Sc., B.Ed., Dip.G.&C. |
| | | 6. J.D. Stelfox, M.B.E., D.L., R.I.B.A., F.R.I.A.I. |
| | | 7. W.A. Wilson, F.R.I.C.S. |
| | | 8. W.R. Wilson, LL.B. (<i>Hon. Secretary</i>) |
| Vacate
2025 | } | 9. C. Finnegan, B.A. |
| | | 10. B.J. Cheevers, B.A. |
| | | 11. M. Fitch, LL.B., F.C.A. |
| | | 12. R.M. Howard, B.Sc., F.C.A. (<i>Chairman</i>) |
| | | 13. C.J. Johnston, B.A., F.C.A. |
| | | 14. G. Parkes, M.B.A., Chartered Fellow C.I.P.D. |
| | | 15. J.E. Rutherford B.Sc., M.A. |
| | | 16. M W Shaw BEng. M.B.A. C.Eng. F.I.Struct.E. M.I.C.E. M.I.E.I. |
| Vacate
2026 | } | 17. A.I. Adair, LL.B., F.R.C.S.I. |
| | | 18. P.J. Dolaghan, P.G.C.E., (I.T.) |
| | | 19. S.T. Gowdy, LL.B. |
| | | 20. J.C. Kernohan, B.A. |
| | | 21. R.J.S. Price, F.C.A. |
| | | 22. W.M.W. McDowell, F.R.I.C.S. |
| | | 23. P. Shields, B.Sc., P.G.D. |
| | | 24. J.J. Wylie, M.A., F.C.A. |

The Co-opted Educational Governors at March 2024 are as follows:

Sir D. Sterling KCB	(vacate 2024)
R.W. Magee BSc MA PGCE PQH(NI)	(vacate 2025)
F.C. Eakin, B.Sc., M.Sc., P.G.C.E.	(vacate 2026)

The Parent Representative Governors at March 2024 are as follows:

C. Holmes B.Sc., M.A., F.C.A.	(vacate 2025)
C. Moran B.A., M.A., M.Phil., Ph.D.	(vacate 2025)

The Teacher Representative Governors at March 2024 are as follows:

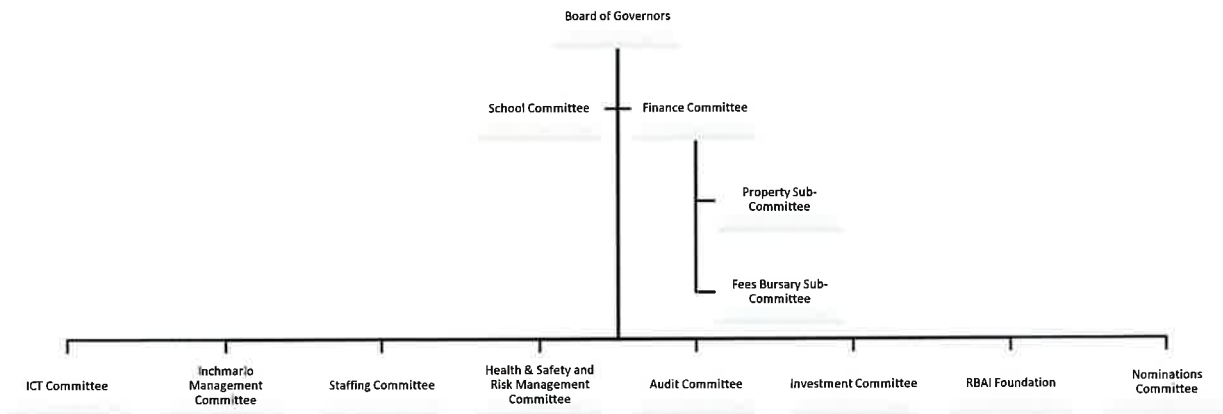
S. Archibald, M.Eng., P.G.C.E.	(vacate 2025)
J.B. Peak, B.A., P.G.C.E.	(vacate 2025)

Newly appointed Governors receive induction training from the Chairman of the Board of Governors, the Principal and the Bursar. All Governors receive annual safeguarding and child protection training. A suite of training programmes is provided by the Education Authority for all Governors.

Organisational Structure

The Board of Governors is supported in carrying out its Governance role by Committees and Sub-Committees.

Governance Structure



School Committee

The School Committee has responsibility with regard to the educational and pastoral aspects of the School. In doing so the Committee reviews the process for the intake to Year 8; oversees teaching appointments; considers the on-going review and implementation of the School's Development Plan, reviews the provision of Pastoral Care, including Child Protection and Special Educational Needs (S.E.N.), and considers various educational initiatives, internal reviews and policies.

Finance & General Purposes Committee

The Finance & General Purposes Committee keeps under review all aspects of the School's finances through annual budgets and financial reports.

Property Sub-Committee

The Property Sub-Committee manages a wide range of capital development and maintenance matters pertaining to the School's estate.

Fees Bursary Sub-Committee

The Fees Bursary Sub-Committee administers the School's Fees Bursary Scheme. The Governors believe that no boy should be denied an education in the Secondary Department because of the financial circumstances of his parents or guardians. The Fees Bursary Scheme supports parents/guardians to meet the fees which the School charges.

Audit Committee

The Audit Committee considers the School's Annual Report and Financial Statements; receives the reports and recommendations of the internal and external auditors; and thereby reviews the effectiveness and efficiency of the School's systems of internal control and financial management.

The internal auditor, ASM, reported that the Institution had a sound framework of control, which provided satisfactory assurance regarding the system of internal financial control. The external auditor, Moore (N.I.) LLP, reported that an unqualified audit opinion would be issued.

Staffing Committee

The Staffing Committee considers a range of matters relating to the terms and conditions of employment of individuals within the teaching and non-teaching staff, including internal and external appointments. It also determines salaries.

Investment Committee

The Investment Committee monitors the performance of the School's fund managers against their set objectives of providing both revenue income - to make good the shortfall in Government funding - and capital growth – to ensure the School's financial stability into the future.

The Investment Committee oversaw the transfer of the School's investments from M&G Investments, Rathbones Investment Management and Abrdn on behalf of the Northern Ireland Central Investment Fund for Charities (NICIFC) to Cazenove Capital and Newton Investment Management.

I.C.T. Committee

The I.C.T. Committee manages the rolling I.C.T. hardware and infrastructure requirements of Inchmarlo and the Main School. The Committee also oversees the formation of policies and distribution of resources to support learning.

Health, Safety & Risk Management Committee

The Health, Safety & Risk Management Committee provides an oversight of matters relating to the School's on-going risk management process and procedures across a range of aspects.

RBAI Foundation Committee

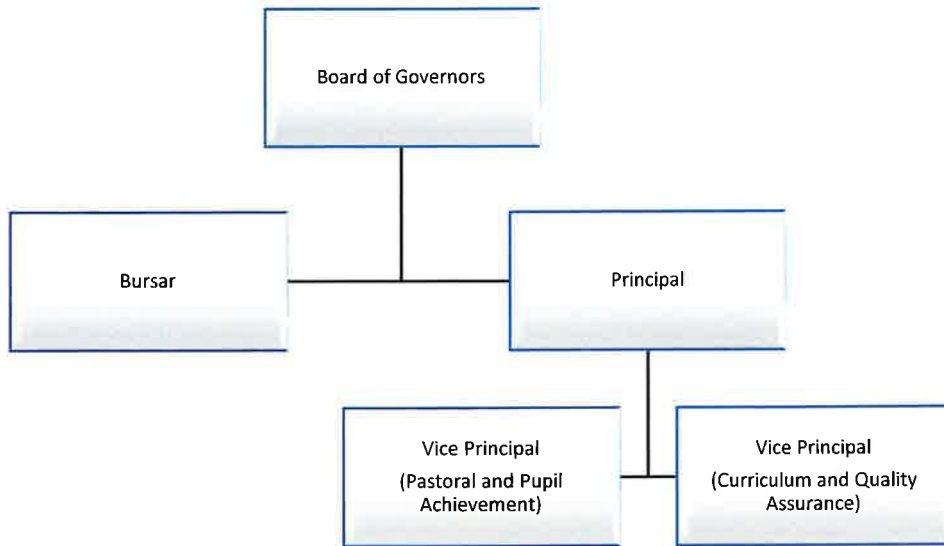
The RBAI Foundation Committee oversees fundraising and works closely with the Belfast Old Instonians Association and serves as the hub for communications with alumni and friends of the School around the world.

Inchmarlo Management Committee

The Inchmarlo Management Committee considers a diverse range of issues including: the educational provision and performance of the pupils, the School's Development Plan; pupil intake and enrolment numbers; administration of pastoral matters; finance and budgetary administration; and the maintenance of the Inchmarlo estate.

Senior Leadership Team

The Senior Leadership Team, comprising the Principal, the Vice-Principal (Curriculum and Quality Assessment), the Vice Principal (Pastoral and Pupil Achievement) and the Bursar, has responsibility for implementing and managing the strategies approved by the Board of Governors.



Decision making

The Board of Governors determine the strategic direction and policies for the School. Responsibility is delegated to the Senior Leadership Team to implement the strategies and policies and ensure the School achieves its aims and objectives. The School Development Plan and associated budgets provide a framework for the implementation of the strategies.

Representatives of the Senior Leadership Team attend all meetings of the Board of Governors and provide written and verbal information regarding the progress of the implementation of the School Development Plan, budgetary updates, variances arising and any remedial action taken.

Remuneration of Senior Leadership Team

The Staffing Committee review the salaries of all staff on an annual basis. The Committee makes recommendations to the Board for any changes in salary, outside of agreed national agreements, including the salaries of the Senior Leadership Team. The Board of Governors is ultimately responsible for the setting of staff salaries.

Relationships with Related Parties

Due to the nature of the School's operations and the composition of the Board of Governors, 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 Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the School's financial regulations and normal procurement procedures.

Statement of Governors' Responsibilities

The Board of Governors of Royal Belfast Academical Institution is responsible for the administration and management of the affairs of the School and is required to present audited financial statements for each financial year.

Within the terms and conditions of the Scheme of Endowment, the Board or Governors, through its Chairman, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and the result for that year.

In preparing the financial statements the Board of Governors 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 School will continue in operation.

The Board of Governors is also required to prepare an Annual Report which describes the School objectives and how they are to be achieved, including the legal and administrative status of the School.

The Board of Governors is responsible for keeping proper accounting records to safeguard the assets of the School and for preventing and detecting fraud and other irregularities.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Department of Education are used only for the purposes for which they have been given;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the School;
- secure the economic, efficient and effective management of the School's resources and expenditure.

THE ROYAL BELFAST ACADEMICAL INSTITUTION

GOVERNORS' REPORT


For the year ended 31 March 2024

Disclosure of Information to Auditors

So far as each of the members of the Board of Governors is aware at the time this report is approved:

- there is no relevant audit information of which the auditors are unaware and
- that the members of the Board have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved on behalf of the Board Governors on 28 May 2024 by:



R.M. Howard - Chairman