

CHARITY REGISTRATION NUMBER 529386

CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2019



CLIFF COLLEGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Revd Christine Dutton (Appointed 1 Sept 2019)
Ashley France
Matthew Lee
Joan Ryan
Revd Paul Smith (Appointed 1 Sept 2019)
Revd Roger Walton

Charity number 529386

Principal address

Cliff College
Calver
Hope Valley Derbyshire
S32 3XG

Auditors

Hawsons Chartered Accountants
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers

HSBC
Belgravia Branch
The Peak
333 Vauxhall Bridge Road London
SW1V 1EJ

Solicitors

Graysons Solicitors
Courtwood House
Silver Street Head
Sheffield
S1 2DD

CLIFF COLLEGE

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CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

The managing trustees present their report and accounts for the year ending 31 August 2019. The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2015).

Structure, governance and management

The charity is governed by two charitable trust deeds, one dated 1903 and a second dated 1930. The managing trustees who served during the year were:

Revd Rachel Deigh (Chair) (Resigned 31 August 2019)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Revd Christine Dutton (Appointed 1 September 2019)
Ashley France
Matthew Lee
Revd Loraine Mellor (Chair from 1 September 2019)
Revd Paul Smith (Appointed 1 September 2019)
Joan Ryan
Revd Dr Roger Walton

The College Committee is appointed by the Methodist Council. In the appointment of managing trustees to serve on the Committee, the Methodist Church seeks to employ the widest possible range of skills and expertise, and fully bears this in mind when inviting new managing trustees to take up their responsibilities. Each member of the College Committee oversees and supports a specific area of College life and, by doing so, enables an external influence to be brought into the College which has a significant beneficial effect on the work of the College. All new managing trustees are inducted in briefing meetings with the Principal and senior staff members, and develop a detailed knowledge of the College by working alongside staff members who have day-to-day responsibility for the specific area in which the managing trustee has expertise.

Appointments to the College Committee are for an initial period of three years, with the option to extend for up to a further three years. Thereafter, a member may serve for a further year if the nomination is supported by 75% of the members present at a meeting to consider the nomination.

The ultimate responsibility for the College lies with Methodist Conference and, as the College is part of the wider Methodist Church, it is governed by Methodist Church standing orders and the decisions made annually by the Methodist Conference. The Trusteeship is held by the Methodist Council which appoints the Cliff College Committee to govern the College.

The strategic direction of the charity is set by the College Committee which then delegates the day-to-day running of the College to the College's Executive Committee (an internal management group consisting of the Principal, Revd Ashley Cooper; the Academic Director, Dr Richard Saunders-Hindley; and the Operations Director, Paul Taylor). The College Committee Chair and Vice-Chair receive the minutes of the Executive Committee meetings and attend meetings when appropriate. The Executive Committee reports back to the College Committee on a regular basis.

The College Committee also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the trading arm of the College which specialises in providing conferencing facilities and accommodation on the College campus.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

The College's vision is 'to be a beacon of excellence for training in mission and evangelism, serving the church, especially in the UK but also internationally'.

In living out this vision, the College recognises its commitment to the Methodist Church and its heritage in the Wesleyan family; it exists to train people in mission and evangelism, which aims to impact all sections of the church and serve the widest possible constituency. These are achieved through:

- a range of validated courses and programmes with mission and evangelism at their core
- short courses and Summer Schools to serve the needs of lay people in the church
- evangelists to act as a catalyst for mission and evangelism in the church
- an annual Festival to deliver a vibrant programme for all ages
- the Cliff Year to provide young people with a year of vocational exploration
- the conference centre to provide accommodation for individuals and groups
- Global partnerships to support lay and ordained training across the globe
- a series of resources to promote the themes of mission and evangelism.

Cliff College exists for the charitable purposes of the advancement of education and of the advancement of religion. All other charitable activities undertaken by the College are to further the attainment of its vision. The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Risk factors

The managing trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained by senior management and the register is reviewed and approved by the Cliff College Committee on an annual basis. The most serious risks to Cliff College's survival and development are identified as:

- insufficient student numbers leading to a loss in income
- changes in Government legislation and/or the policies of our partners
- loss of key staff and their knowledge and experience.

These risks are managed in a number of ways:

A Communications & Recruitment Officer has been recruited, to build on the developing marketing strategy, recent rebranding and more innovative promotional campaigns. The College website is being updated to provide clear and concise information and to link with our growing social media presence. Courses are constantly under review to ensure continued relevance to students, with the BA in Mission and Ministry now developing as a full-time as well as a part-time degree. Online modules are now offered in the Masters programme; these are being further developed on a new online platform. The Summer School programme has been expanded in partnership with the Methodist Church, with a Spring School to be added in 2019; the short course programme is growing with a renewed emphasis on providing training for those in lay ministry roles, a growing area in the church. The College now participates in the US Federal Student Aid programme with our first full-time American students joined now in their second year at the College.

Staff are up to date with government policy and have positively responded to the development of the Office for Students with a successful application. A new undergraduate programme has been developed that will meet the requirements of the new government apprenticeships and enable students to access apprenticeship funding. The College maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood.

Staff retention rate is high but, as a small organisation, there is a lot of reliance on individual knowledge and expertise. IT solutions are therefore used to enable collaborative use of online resources and information and staff meet regularly, both as a whole and as teams, to share developments and issues and work to maintain good internal communications. Staff job descriptions have been updated to ensure clarity of roles within the organisation.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

The College runs taught academic programmes at both undergraduate and postgraduate levels, as well as supervising research programmes. All of the College's academic programmes are validated by the University of Manchester, a Russell Group university, which unconditionally revalidated the College for five years from 1 January 2016. An unconditional revalidation is a very positive affirmation of the work of the College and a great achievement. The next revalidation process will take place in the autumn of 2020.

Undergraduate programmes include:

- Certificate, Diploma and Honours degree programmes in Theology and Ministry
- Certificate, Diploma and Honours degree programmes in Mission and Ministry

Postgraduate programmes include:

- Postgraduate Certificate, Diploma and Masters degree programmes in Mission, with specialist pathways including:
 - Biblical Theology and Mission
 - Children's and Youth Mission
 - Christian Mentoring
 - Disability, Theology and Mission
 - Leadership, Mission and Renewal
 - Literature, Theology and Culture
 - Mission and Evangelism
 - Mission and Global Justice
 - Mission and Islamic contexts
 - Pioneering Ministries/Fresh Expressions
 - Spirituality and Mission
- PhD programme (research)
- PhD Missiology programme (professional doctorate)

The faculty of the College continues to seek to develop and deliver our various courses in effective ways so that the educational and religious aims of the charity continue to be achieved. As part of its Christian heritage, and by provision being built into the learning objectives of accredited programmes, Cliff College students continue to engage in periods of placement and mission. For full-time students these placement experiences significantly increase their employability and a Year in Mission has been developed to enable this. The majority of part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

Alongside these validated programmes the College offers a wide range of short courses for those in a variety of ministry roles throughout the church. These are providing learning opportunities for both those new to these roles and those looking for continuing development opportunities.

Cliff Global Partnerships

For many years, the International Training Centre has supported partner churches overseas through a range of courses, programmes and other projects. The results of a recent review of this work has enabled us to engage with partners to develop ways in which this learning can be more effectively delivered through the development of an online learning platform, Theology X.

Relationships and partnerships have been strengthened during the year, including with Perkins School of Theology, in Dallas, and a number of other British Methodist Church partners, including in Nigeria, Kenya, Korea, Sierra Leone and Uganda. The appointment of a Head of Global Partnerships, and administrator, has enabled this work to be developed and strengthened.

Library

The library is a valuable resource for students, not only for those attending internal courses but also for others who come to carry out their research activities. The development of new programmes continues to be matched

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

by an expansion of the range of resources available, including online access to e-books, journals and periodicals. An archive section, growing in size and importance, attracts many students wishing to explore Methodist history and heritage in detail; it is a part of one of the largest collections of Wesleyan material to be found throughout the world, located at sites connected to the University of Manchester.

Festival

The Cliff College 'Festival' is a major public event that the College holds each year over the second bank holiday weekend in May. Much time and expense is put into maintaining the high quality of Festival, to promote the work of the College and provide an enjoyable experience for all visitors. The appointment of a part-time Festival Coordinator demonstrates a commitment to that quality. Festival provides a resource for church groups and individuals and is also an important aspect of our student recruitment activity. Increased numbers of young people have been attending Festival in recent years and it is hoped that this will result in increased student recruitment in the years ahead.

Cliff College Outreach Limited (CCO)

CCO is the trading arm of the College, providing high-quality facilities and modern accommodation options across the site. CCO reimburses the College for utility costs paid on its behalf together with management charges relating to salary and administration expenses. Profits from CCO are donated to the College under the Gift Aid scheme. Under a ten year agreement reached in 2013, the national headquarters of Girls Brigade Ministries are located on the College site. The company's turnover for the year was in line with the previous year. In addition to providing accommodation for part-time students of the College, the facilities are also regularly used by the Learning Network of the Methodist Church and The Girls Brigade for gatherings of people from across the UK. A large number of smaller organisations, both Christian and secular, hold conferences on the site. The board of directors continues to actively monitor the financial context in which the Conference Centre operates in order that appropriate and prompt action can be taken to respond to the external challenges.

Financial review

From a financial point of view, the College had a difficult year due to low numbers of students joining programmes in previous years. However, we have seen an improvement in numbers in 2018/19 on the BA in Ministry & Mission which has strengthened our undergraduate cohort. The postgraduate programmes, both taught and research, continue to perform well, meeting the targets set.

Income from general donations followed the downward trend seen over the last few years. However, a number of generous legacies were received during the year which offset this decline. Legacies are never budgeted for so are 'the icing on the cake' when received.

The College is constantly monitoring its costs in order to keep them to a minimum. However, there are increasing costs being incurred due to Government regulation and there is little that can be done about these as we continue as a provider of higher education.

The College seeks to let properties externally where these are not required by staff or students. Care is taken to ensure that the facilities are maintained to a high standard and that there is no backlog of urgent work. Over the last four years, a programme of planned preventative maintenance has taken place which has been partially funded by the Methodist Church and partially by College funds. The College will continue to plan capital projects that enhance the experience of students and conference visitors.

IT systems and hardware are constantly under review to ensure suitability for purpose for students, conference visitors and staff alike. Increasing regulatory requirements have required the implementation of a computerised student record system which will provide the statistics required by government agencies and this will be developed further as government requirements change.

We are keen to make students aware of their financial responsibilities towards the College and to this end all new undergraduate students are provided with information and support in managing their personal finances. One-to-one 'finance' interviews are held with all residential students, in which they are made aware of the specific charges that they will be required to pay to the College for tuition fees and residential fees; a payment plan is then agreed upon. Most of these students are able access loans from the Student Loans Company to

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

finance their studies. Throughout the year, student accounts are closely monitored in order to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, whilst some of our Masters Programme students are funded by their employer, these loans are beneficial to those who are not.

In July 2019, the annual Methodist Conference, the governance body of the Methodist Church, agreed a budget which included financial support for the College covering the next three years. Whilst budgets beyond this period have not yet been approved, there are no plans to deviate from this on-going financial support. During the year, the College received income of £2,141,727 (2018:£2,063,966) and had expenditure of £2,538,207 (2018:£2,173,312) which after gains on investments of £27,855 resulted in a net reduction in total funds of £368,625. The total fund balances at 31 August 2019 were £8,609,221.

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies. The outcome of this generosity is that many investments have been made to provide an income, some for the specific benefit of the students and some to provide general income for the College. Most of the funds are invested through either the Trustees for Methodist Church Purposes (TMCP) or the Central Finance Board of the Methodist Church (CFB), and are therefore subject to the Methodist Church's ethical investment policy. Interest rates continue at the low levels experienced in previous years but the College is still committed to moving its investments, where possible, into higher yielding funds without compromising its commitment to a low risk investment strategy as befits a charity.

Arrangements for setting the remuneration of key management personnel

The salaries of key management personnel are set by the trustees, with reference to recommended ministerial stipend set by the Methodist Church for ordained staff, with other salary levels set alongside those offered in the theological college sector (for teaching staff), and general salary levels (for non-teaching staff) with the Living Wage Foundation Living Wage as a benchmark.

Reserves policy

At the 31 August 2019 the College held unrestricted reserves totalling £7,864,301 which included tangible fixed assets of £7,626,617. The level of free reserves was £237,684.

It is the policy of the College that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The managing trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. The level of free reserves at 31 August 2019 of £237,684 is equivalent to less than 2 month's expenditure. The managing trustees are seeking to increase the level of free reserves over the next couple of years to be consistent with the policy.

On behalf of the board of managing trustees,



Revd Loraine Mellor, Chair
13 February 2020

CLIFF COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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 presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity 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 charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Opinion

We have audited the financial statements of Cliff College (the 'charity') and its subsidiary (the 'group') for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Statement of Financial Activities, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 August 2019, and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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 charity'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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE (CONTINUED)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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 auditor's 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.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE (CONTINUED)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Hawsons

Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Date *11 February 2020*

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CLIFF COLLEGE

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
		£	£	£	£	£
Income from:						
Donations and legacies	2	619,325	222,313	-	841,638	878,653
Charitable activities	3	824,958	46,500	-	871,458	698,482
Other trading activities	4	205,694	-	-	205,694	200,941
Investments	5	18,082	-	-	18,082	15,996
Other	6	204,855	-	-	204,855	269,894
Total income		1,872,914	268,813	-	2,141,727	2,063,966
Expenditure on:						
Raising funds		4,068	-	-	4,068	4,367
Charitable activities	7	1,680,485	239,708	-	1,920,193	1,509,292
Other		613,946	-	-	613,946	659,653
Total expenditure		2,298,499	239,708	-	2,538,207	2,173,312
Gains/(losses) on investments	13	3,743	12,520	11,592	27,855	(4,042)
Net income/(expenditure)		(421,842)	41,625	11,592	(368,625)	(113,388)
Transfer between funds		32,692	(32,692)	-	-	-
Net movement in funds		(389,150)	8,933	11,592	(368,625)	(113,388)
Fund balances brought forward		8,253,451	298,573	425,822	8,977,846	9,091,234
Fund balances carried forward		7,864,301	307,506	437,414	8,609,221	8,977,846

CLIFF COLLEGE

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2019	Total 2018
		£	£	£	£	£
Income from:						
Donations and legacies	2	619,325	222,313	-	841,638	878,653
Charitable activities	3	824,958	46,500	-	871,458	698,482
Other trading activities	4	428	-	-	428	963
Investments	5	18,082	-	-	18,082	15,996
Other	6	229,855	-	-	229,855	303,213
Total income		1,692,648	268,813	-	1,961,461	1,897,307
Expenditure on:						
Raising funds		4,068	-	-	4,068	4,367
Charitable activities	7	1,680,485	239,708	-	1,920,193	1,509,292
Other		360,464	-	-	360,464	437,264
Total expenditure		2,045,017	239,708	-	2,284,725	1,950,923
Gains/(losses) on investments	13	3,743	12,520	11,592	27,855	(4,042)
Net income/(expenditure)		(348,626)	41,625	11,592	(295,409)	(57,658)
Transfer between funds		32,692	(32,692)	-	-	-
Net movement in funds		(315,934)	8,933	11,592	(295,409)	(57,658)
Fund balances brought forward		8,369,545	298,573	425,822	9,093,940	9,151,598
Fund balances carried forward		8,053,611	307,506	437,414	8,798,531	9,093,940

CLIFF COLLEGE

CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	-	4,625
Tangible assets	12	7,626,617	7,723,104
Investments	13	618,951	591,096
		<u>8,245,568</u>	<u>8,318,825</u>
Current assets			
Debtors	14	247,604	218,941
Cash at bank and in hand		<u>627,168</u>	<u>945,483</u>
		874,772	1,164,424
Creditors: amounts falling due within one year	15	<u>(287,119)</u>	<u>(253,025)</u>
Net currents assets		<u>587,653</u>	<u>911,399</u>
Total assets less current liabilities		<u>8,833,221</u>	<u>9,230,224</u>
Creditors: amounts falling due after more than one year	16	<u>(224,000)</u>	<u>(252,378)</u>
Net assets		<u>8,609,221</u>	<u>8,977,846</u>
Capital funds			
Endowment funds	18	437,414	425,822
Income funds			
Restricted funds	19	307,506	298,573
Unrestricted funds General	20	<u>7,864,301</u>	<u>8,253,451</u>
		<u>8,609,221</u>	<u>8,977,846</u>

The financial statements were approved and authorised for issue by the Board on 13/02/2020
Signed on behalf of the board of Trustees

Rev'd Loraine Mellor
Trustee



CLIFF COLLEGE

**CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	11	-	4,625
Tangible assets	12	7,626,617	7,723,104
Investments	13	618,951	591,096
		<u>8,245,568</u>	<u>8,318,825</u>
Current assets			
Debtors	14	435,130	388,436
Cash at bank and in hand		<u>585,184</u>	<u>868,649</u>
		1,020,314	1,257,085
Creditors: amounts falling due within one year	15	<u>(243,351)</u>	<u>(229,592)</u>
Net currents assets		<u>776,963</u>	<u>1,027,493</u>
Total assets less current liabilities		<u>9,022,531</u>	<u>9,346,318</u>
Creditors: amounts falling due after more than one year	16	<u>(224,000)</u>	<u>(252,378)</u>
Net assets		<u>8,798,531</u>	<u>9,093,940</u>
Capital funds			
Endowment funds	18	437,414	425,822
Income funds			
Restricted funds	19	307,506	298,573
Unrestricted funds General	20	<u>8,053,611</u>	<u>8,369,545</u>
		<u>8,798,531</u>	<u>9,093,940</u>

The financial statements were approved and authorised for issue by the Board on 13/02/2020

Signed on behalf of the board of Trustees

Rev'd Loraine Mellor
Trustee



CLIFF COLLEGE

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2019**

	Notes	2019 £	2018 £
Cash flow from operating activities	21	(239,221)	(29,181)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(55,390)	(447,351)
Interest received		12,578	10,889
Interest paid		(7,905)	-
Net cash flow from investing activities		(50,717)	(436,462)
		(289,938)	(465,643)
Cash flow from financing activities			
Bank loan received		-	280,000
Bank loan repayments		(28,377)	-
Net cash flow from financing activities		(28,377)	280,000
Net (decrease) in cash and cash equivalents		(318,315)	(185,643)
Cash and cash equivalents at beginning of year		945,483	1,131,126
Cash and cash equivalents at end of year		627,168	945,483

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Company information

Cliff College is a registered charity (no 529386). The principal address is Calver, Hope Valley, Derbyshire, S32 3XG.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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 (FRS 102) issued on 16 July 2014 (as updated through Update Bulletin 1 published on 2 February 2016), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements consolidate the accounts of Cliff College and Cliff College Outreach Limited.

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the main functional currency of the charity and rounded to the nearest £.

The significant 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.

1.2 Charitable funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

1.3 Income recognition

Grants are accounted for on a receivable basis.

For legacies, entitlement and recognition is the earlier of receipt of the legacy or where it is probable that it will be received.

Donations received towards student fee sponsorship may be deferred for use in later years. The disbursements from this fund vary according to student needs.

Incoming resources from endowment funds are unrestricted and are transferred to unrestricted funds at the end of the financial year.

Student fees invoiced in advance are treated as deferred income.

1.4 Expenditure recognition

Resources expended are recognised in the year in which the liability is incurred.

Costs of raising funds relate to the cost of bookshop stock, of providing conference facilities and other fundraising activities.

Expenditure relating to charitable activities includes all the costs, including support costs, relating to the running of the college as an educational institution.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Intangible fixed assets

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Computer software	33.3% straight line
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1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Straight line over 100 years
Property refurbishment	Straight line over 15 years
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2019

1.7 Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gain/losses in the SOFA.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.9 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

The charity participates in a multi-employer defined benefit scheme, as the proportion attributable to the charity is not separately identifiable, the pension schemes are accounted for as defined contribution pension schemes in the accounts. Following the closure of the defined benefit pension scheme the charity contributed to a defined contribution pension scheme. Further details are included in note 17.

1.10 Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.12 Judgements and key sources of estimation uncertainties

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have based their estimate of the value of the land and buildings of the charity on a valuation completed by a professional valuer and on one prepared by the Estate Manager looking at similar properties in the location near to the charity's properties. The accuracy of these valuations could therefore have a material adjustment to the carrying amount of assets and liabilities.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

2 Donations and legacies

	Unrestricted Fund £	Group and Charity Restricted Fund £	Total 2019 £	Total 2018 £
Donations and gifts	37,863	-	37,863	50,198
Legacies receivable	223,210	-	223,210	313,833
DMLN grant from the Methodist Church	358,252	20,000	378,252	366,500
Global Partnership income	-	110,531	110,531	-
Other grants	-	91,782	91,782	148,122
	<u>619,325</u>	<u>222,313</u>	<u>841,638</u>	<u>878,653</u>
For the year ended 31 August 2018	<u>809,621</u>	<u>69,032</u>		<u>878,653</u>

	2019 £	2018 £
Legacies receivable/(repaid)		
Unrestricted funds		
K Connor	257	71,857
C Bryant	-	5,000
M E Graham	-	500
J Terry	-	2,000
E Hopkins	(913)	104,476
M Porter	201,907	70,000
N Porter	5,628	60,000
E Blears	8,452	-
H Davis	5,000	-
D Baker	1,000	-
I Smith	1,000	-
E Spetch	479	-
B Haggis	400	-
	<u>223,210</u>	<u>313,833</u>

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Student fees and accommodation	716,102	620,220	716,102	620,220
Festival Income	105,509	78,262	105,509	78,262
Evangelism	49,847	-	49,847	-
	<u>871,458</u>	<u>698,482</u>	<u>871,458</u>	<u>698,482</u>

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Conference income	205,694	200,941	428	963

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2019

5 Investment income

	Group and Charity			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Central Finance Board Funds	12,578	-	12,578	10,889
Other investment income	5,504	-	5,504	5,107
	<u>18,082</u>	<u>-</u>	<u>18,082</u>	<u>15,996</u>
For the year ended 31 August 2018	<u>13,780</u>	<u>2,216</u>		<u>15,996</u>

6 Other income

	Group		Charity	
	2019	2018	2019	2018
	£	£	£	£
Rental Income	183,756	217,879	203,756	217,879
Other income	21,099	52,015	26,099	85,334
	<u>204,855</u>	<u>269,894</u>	<u>229,855</u>	<u>303,213</u>

7 Charitable expenditure

	Group and Charity			
	Unrestricted Funds	Restricted Funds	Total 2019	Total 2018
	£	£	£	£
Staff costs	566,886	20,000	586,886	474,463
Methodist Church stipend costs	84,990	-	84,990	76,448
Student course costs	201,918	25,779	227,697	188,707
Festival costs	134,348	-	134,348	113,771
Global Partnership costs	-	127,147	127,147	-
Theology X Platform costs	26,845	-	26,845	-
Other	60,339	66,782	127,121	109,015
	<u>1,075,326</u>	<u>239,708</u>	<u>1,315,034</u>	<u>962,404</u>
Share of support costs (see note 8)	605,159	-	605,159	546,888
	<u>1,680,485</u>	<u>239,708</u>	<u>1,920,193</u>	<u>1,509,292</u>
For the year ended 31 August 2018	<u>1,423,748</u>	<u>85,544</u>		<u>1,509,292</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

8 Allocation of support costs	Group and Charity		Total 2019 £
	Charitable £	Other £	
2019			
Governance	20,212	6,737	26,949
Finance	37,829	12,611	50,440
IT	72,058	24,019	96,077
Property costs	113,703	37,901	151,604
Depreciation	116,821	38,940	155,761
Office costs	40,162	13,387	53,549
Irrecoverable VAT	63,309	21,103	84,412
Other	141,065	47,022	188,087
	<u>605,159</u>	<u>201,720</u>	<u>806,879</u>
2018			
Governance	16,055	6,881	22,936
Finance	39,860	17,083	56,943
IT	68,122	29,195	97,317
Property costs	114,135	48,915	163,050
Depreciation	114,315	48,992	163,307
Office costs	24,625	10,554	35,179
Irrecoverable VAT	56,455	24,195	80,650
Other	133,321	48,566	161,887
	<u>546,888</u>	<u>234,381</u>	<u>781,269</u>

Support costs have been allocated based on the relevant proportions of income.

Governance costs include an audit fee for the year of £10,800 (2018: £8,000).

9 Trustees and key management remuneration

Cliff College is controlled by The Methodist Council, whose members are the Trustees of Cliff College and appoint the Cliff College Committee to serve as the governing body of the college.

The college considers its key management personnel to be its Executive Committee which comprise the Principal, the Academic Director and the Operations Director. The total amount of benefits received by key management personnel is £149,359 (2018: £127,197).

During the year six (2018: six) members of the Cliff College Committee were reimbursed a total of £1,057 (2018: £1,296) relating to travel expenses.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

10 Employees

	Group	
Number of employees	2019 Number	2018 Number
College	33	28

	Group	
Employment costs	2019 £	2018 £
Wages and salaries	796,039	683,038
Social security costs	75,209	63,401
Other pension costs	48,144	48,505
Total staff costs	919,392	794,944

There are no employees whose annual emoluments were £60,000 or more

11 Intangible fixed assets

	Group and Charity £
Cost	
At 1 September 2018	18,420
Additions	-
At 31 August 2019	18,420
Amortisation	
At 1 September 2018	13,795
Charge for the year	4,625
At 31 August 2019	18,420
Net book value	
At 31 August 2019	-
At 31 August 2018	4,625

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2019

12	Tangible fixed assets	Group and Charity				
	Land and Buildings	Plant and Machinery	Computer Equipment	Fixtures Fittings & Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2018	8,778,010	15,104	248,701	427,653	8,800	9,478,268
Additions	2,395	-	36,014	5,281	11,700	55,390
Disposals	-	-	-	-	(800)	(800)
At 31 August 2019	8,780,405	15,104	284,715	432,934	19,700	9,532,858
Depreciation						
At 1 September 2018	1,173,337	7,495	221,309	344,223	8,800	1,755,164
Charge for the year	87,037	3,554	22,764	36,182	2,340	151,877
Disposals	-	-	-	-	(800)	(800)
At 31 August 2019	1,260,374	11,049	244,073	380,405	10,340	1,906,241
Net book value						
At 31 August 2019	7,520,031	4,055	40,642	52,529	9,360	7,626,617
At 31 August 2018	7,604,673	7,609	27,392	83,430	-	7,723,104

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

13 Fixed assets investments

	Group and Charity		
	CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
Market value at 1 September 2018	136,755	454,341	591,096
Change in value in the year	<u>1,695</u>	<u>26,160</u>	<u>27,855</u>
Market value at 31 August 2019	<u>138,450</u>	<u>480,501</u>	<u>618,951</u>

The custodian trustees are the Trustees for the Methodist Connexional Funds (Registered) and the Trustees for Methodist Church Purposes. The market value of the investments has been provided by the Trustees for Methodist Church Purposes (TMCP).

14 Debtors	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	197,722	165,386	148,306	130,109
Amounts owed by group undertakings	-	-	238,178	204,772
Other debtors	8,979	5,963	8,979	5,963
Prepayments and accrued income	<u>40,903</u>	<u>47,592</u>	<u>39,667</u>	<u>47,592</u>
	<u>247,604</u>	<u>218,941</u>	<u>435,130</u>	<u>388,436</u>

15 Creditors: amounts falling due within one year

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	165,226	115,871	138,689	108,329
Tax and social security costs	30,338	22,148	22,377	16,810
Other creditors	34,714	41,110	34,714	41,110
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	<u>28,841</u>	<u>45,896</u>	<u>19,571</u>	<u>35,343</u>
	<u>287,119</u>	<u>253,025</u>	<u>243,351</u>	<u>229,592</u>

16 Creditors: amounts falling due after more than one year

	2019 £	2018 £	2019 £	2018 £
Bank Loan	<u>224,000</u>	<u>252,378</u>	<u>224,000</u>	<u>252,378</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

17 Pension costs

The College is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2019 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2019	2018
	%	%
Discount rate	1.8	2.7
RPI inflation rate	3.2	3.3
CPI inflation rate	2.2	2.3
Rate of increase in pensionable earnings	2.2	2.3
Rate of increase in pension payments	2.2/3.1/5.0	2.2/3.2/5.0

The major categories of the Scheme's assets as a percentage of the total Scheme assets, were as follows:

	31 August 2019	31 August 2018
	%	%
Equities	54	54
Corporate bonds	5	5
Property	7	8
Cash	9	10
Liability driven investment	20	17
Annuities	5	6

The following amounts at 31 August 2019 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	85.1
Present value of scheme liabilities	90.3
Net Defined Benefit Liability	(5.2)

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

17 Pension costs (continued)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the College is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the College. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer. The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019. Members who were active when the Scheme closed became closure members. Approximately 2.7% of the closure members of the Scheme are employees of the College.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. The College would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The total employer contributions paid to the Scheme during the year were £1.523m (2018, £1.902m), of which the College's contributions totalled £17,021 (2018, £22,164).

A full actuarial valuation of the Scheme was carried out at 1 September 2017 by the Scheme Actuary. The valuation disclosed a past service deficit of £3.5m. It was agreed that the shortfall revealed at 1 September 2017 should be eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £650,000 per annum each August, starting August 2018 up to and including August 2022; and
- Between £0 and £447,000 each December, starting December 2018 up to and including December 2022. The precise amount payable will be determined by the Scheme Actuary having regard to Scheme experience.

The employers' share of the cost of providing future service benefits on 1 September 2017 amounted to 34.6% of Pensionable Earnings. This was higher than the employers' contribution rate of 24.1% of Pensionable Earnings that was paid up to 31 May 2019. However, this shortfall was incorporated into the Pension Reserve Fund core contributions and therefore employer contributions remained at 24.1% of Pensionable Earnings until 31 May 2019, when the Scheme closed to future accrual.

An update of the funding position as at 1 September 2018 was carried out by the Scheme Actuary. This showed that the past service deficit had reduced from £3.5m to £0.9m.

The next full actuarial valuation is due as at 1 September 2020, with an interim update of the funding position being carried out as at 1 September 2019.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

17 Pension costs (continued)

The College contributed to a defined contribution pension scheme on behalf of its employees. The employer contributions paid to the Scheme during the year totalled £58,188 (2018: £41,237).

18 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2018 £	Income £	Expenditure £	Investment gains/ (losses) £	Balance at 31 August 2019 £
General	10,828	-	-	101	10,929
Library	3,327	-	-	181	3,508
Ministerial	11,182	-	-	644	11,826
Perpetuated subscriptions	3,109	-	-	179	3,288
Student fees	247,235	-	-	7,807	255,042
Student fees (3 rd party interest)	124,536	-	-	1,544	126,080
Student prizes	17,373	-	-	662	18,035
Trekkers	8,232	-	-	474	8,706
	<u>425,822</u>	<u>-</u>	<u>-</u>	<u>11,592</u>	<u>437,414</u>
	Balance at 1 September 2017 £	Income £	Expenditure £	Investment gains/ (losses) £	Balance at 31 August 2018 £
General	10,496	-	-	332	10,828
Library	3,394	-	-	(67)	3,327
Ministerial	11,419	-	-	(237)	11,182
Perpetuated subscriptions	3,175	-	-	(66)	3,109
Student fees	250,104	-	-	(2,869)	247,235
Student fees (3 rd party interest)	119,460	-	-	5,076	124,536
Student prizes	17,432	-	-	(59)	17,373
Trekkers	8,406	-	-	(174)	8,232
	<u>423,886</u>	<u>-</u>	<u>-</u>	<u>1,936</u>	<u>425,822</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes.

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2019 £
International Learning Centre	54,129	25,000	-	(79,129)	-	-
Global Partnership	-	110,531	(127,147)	79,129	-	62,513
Bursary Fund	71,876	-	(16,390)	-	-	55,486
Welfare Fund	27,845	-	-	-	-	27,845
Planned Preventative Maintenance	32,692	66,782	(66,782)	(32,692)	-	-
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	-	46,500	(9,389)	-	-	37,111
Other	105,660	20,000	(20,000)	-	12,520	118,180
	<u>298,573</u>	<u>268,813</u>	<u>(239,708)</u>	<u>(32,692)</u>	<u>12,520</u>	<u>307,506</u>
	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2018 £
International Learning Centre	64,748	16,331	(26,950)	-	-	54,129
Bursary Fund	75,622	620	(4,366)	-	-	71,876
Welfare Fund	27,845	-	-	-	-	27,845
Planned Preventative Maintenance	32,692	48,122	(48,122)	-	-	32,692
New accommodation block fund	30,777	-	-	(30,777)	-	-
World Mission Fund support	12,477	-	(6,106)	-	-	6,371
Other	106,303	3,959	-	-	(4,602)	105,660
	<u>350,464</u>	<u>69,032</u>	<u>(85,544)</u>	<u>(30,777)</u>	<u>(4,602)</u>	<u>298,573</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

The running costs of the **International Learning Centre** are shown as a separate restricted fund. This project was terminated during the year and replaced with **Global Partnership** which receives funding from the Methodist Church to arrange mission trips to developing countries.

The **Bursary Fund** exists to provide support to students who need help paying for their course fees.

The **Welfare Fund** exists to provide support to students who are in general financial difficulties. Disbursements are made according to need.

The **Planned Preventative Maintenance Fund** comprises funds provided by the Methodist Church to assist with repairs of the buildings

The **New Accommodation Block Fund** comprises funds provided by the Methodist Church to assist with the building of the new accommodation.

The **World Mission Fund** support comprises funds provided by the Methodist Church to enable engagement with the global church in patterns of mutual engagement and enrichment.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions placed upon it.

Transfers between funds include the transfer of surplus funds arising from the termination of the International Learning Centre following the establishment of the Global partnership together with the transfer from other restricted funds following the completion of programme expenditure.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total 2019 £
Charity				
Tangible fixed assets	7,626,617	-	-	7,626,617
Investments	68,751	229,964	320,236	618,951
Net current assets	582,243	77,542	117,178	776,963
Creditor greater than one year	(224,000)	-	-	(224,000)
	<u>8,053,611</u>	<u>307,506</u>	<u>437,414</u>	<u>8,798,531</u>
Cliff College Outreach Ltd				
Net current assets	(189,310)	-	-	(189,310)
Group	<u>7,864,301</u>	<u>307,506</u>	<u>437,414</u>	<u>8,609,221</u>

Analysis of net assets between funds continued

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £
Charity				
Intangible fixed assets	4,625	-	-	4,625
Tangible fixed assets	7,723,104	-	-	7,723,104
Investments	65,007	217,444	308,645	591,096
Net current assets	829,187	81,129	117,177	1,027,493
Creditor greater than one year	(252,378)	-	-	(252,378)
	<u>8,369,545</u>	<u>298,573</u>	<u>425,822</u>	<u>9,093,940</u>
Cliff College Outreach Ltd				
Net current assets	(116,094)	-	425,822	(116,094)
Group	<u>8,253,451</u>	<u>298,573</u>	<u>425,822</u>	<u>8,977,846</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2019

21	Reconciliation of net (expenditure) to net cash flow from operating activities	Group	
		2019 £	2018 £
	Net (expenditure) for the year	(368,625)	(113,388)
	Interest receivable	(12,578)	(10,889)
	Interest payable	7,905	378
	(Gains)/losses on investment	(27,856)	4,042
	Depreciation on tangible fixed assets	151,877	157,173
	Amortisation of intangible fixed assets	4,625	6,134
	(Increase) in debtors	(28,663)	(40,471)
	Increase/(decrease) in creditors	34,094	(32,160)
	Net cash flow from operating activities	(239,221)	(29,181)

22 Operating lease commitments

At 31 August 2019 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2019 £	2018 £
Within one year	3,709	3,709
Within two to five years	1,867	5,575
Total	5,576	9,284

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2019

23 Related parties

Cliff College has a subsidiary company, Cliff College Outreach Limited. Cliff College Outreach Limited is a company limited by guarantee whose members are made up of the Cliff College Committee.

Cliff College Outreach Limited was set up in 1988 in order to serve the College in the building of the Broadbelt and Eagles buildings and to act as the vehicle carrying out the trading activities of the charity as provider of conference accommodation to third parties during times when the buildings were not being used by the College for housing students.

The activities of Cliff College Outreach Limited are in line with the policies and strategies of Cliff College, and indeed occupy the same premises and complement the overall charitable activities and financial strength of the charity.

Details of the subsidiary company's assets at 31 August 2019 and results for the year then ended are as follows:

	Cliff College Outreach Ltd £
Turnover	205,266
Cost of sales	(98,355)
Gross profit	106,911
Administrative expenses	(180,127)
Loss for the year	<u>(73,216)</u>
Debtors	50,652
Cash at bank and in hand	41,984
	<u>92,636</u>
Creditors	(281,946)
Net liabilities	<u>(189,310)</u>