

CHARITY REGISTRATION NUMBER 529386

CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2021



CLIFF COLLEGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd Loraine Mellor (Chair) Stephen Holliday (Vice-Chair) Revd Ashley Cooper (Principal) Ashley France Matthew Lee Revd Leslie Newton (appointed 1 September 2021) Revd Raj Patta (appointed 1 September 2021) Joan Ryan Revd Paul Smith
Charity number	529386
Principal address	Cliff College Calver Hope Valley Derbyshire S32 3XG
Auditors	Hawsons Chartered Accountants Statutory Auditor 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 2021

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2021.

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.

Structure, governance and management

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

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Revd Christine Dutton (resigned 31 August 2021)
Ashley France
Matthew Lee
Revd Paul Smith
Joan Ryan
Revd Dr Roger Walton (resigned 31 August 2021)

The CCC is appointed by the Methodist Council. In the appointment of members to serve on the CCC, 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 CCC is a member of a sub-group that meets to scrutinise and report on an element of the College's life and work. All new CCC members are inducted in briefing meetings with the Principal and senior staff members.

Appointments to the CCC 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 CCC to govern the College.

The strategic direction of the charity is set by the CCC 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, the Academic Director, the Global and Learning Innovation Director, and the Operations Director). The CCC Chair and Vice-Chair receive the minutes of the Executive Committee meetings and attend meetings when appropriate. The Executive Committee reports to the CCC at each of its meetings.

The CCC also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the commercial trading arm of the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

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

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 CCC 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 the Executive Committee and the register is reviewed and approved by the CCC on an annual basis.

The most serious risks to Cliff College's survival and development are identified as:

- Impact of the coronavirus pandemic on the College
- insufficient student numbers leading to a loss in income
- changes in Government legislation and/or the policies of our partners

These risks have been managed in a variety of ways:

The College closed to students on 9 December 2020 due to coronavirus, following government advice and the introduction of a national lockdown, although the conference centre had remained closed for conferences since the first national lockdown in March 2020. This impacted the College in a number of ways:

- Courses were moved online, using the College's learning platform, enabling students to continue with their programmes of studies.
- Conference centre bookings were cancelled, and the College successfully diversified with the provision of bed and breakfast accommodation in the summer and also the rental of the site to a film company over the summer.
- Cliff Festival on-site was cancelled and replaced by an online Festival.
- Staff, for whom this was possible, were supported to work from home whilst those with roles based at Cliff were moved onto the flexible furlough scheme.
- The College took full advantage of grants and other financial packages available from the government.

In terms of student recruitment, the new College website has proved effective with much clearer and concise course information being made available and has provided good links to the College's growing social media presence. Recruitment processes have been developed online with successful virtual open days. A number of online courses were developed, at both short course and MA levels, and further work is being undertaken to increase the range of courses available. The College was recertified to participate in the US Federal Direct loan programme with the first full-time American students completing their final year at the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The College remains up to date with government policy and maintains good relationships with the Office for Students, with extra meetings scheduled during the pandemic to ensure the College remains in a strong position. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood.

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.

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 College's academic team continues to develop and deliver 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. Most part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

The College also maintains three research centres, providing annual lectures and research opportunities on three topics:

- The Samuel Chadwick Centre: focussing on gathering and disseminating the fruits of research in pneumatology with particular reference to the Wesleyan, Pentecostal and charismatic traditions.
- The Bible, Church and Gender Centre: focusing on biblical and practical gender studies and how these intersect and inform the lives of women and men in the contemporary church
- Generation: the centre for the study of youth, children and families mission and ministry

Alongside the validated programmes the College offers a wide range of short courses for those in a variety of ministry roles throughout the church. This growing programme provides learning opportunities for both those new to these roles and those looking for continuing development opportunities and is enhanced by Cliff Local, short courses delivered more locally to those attending.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Cliff Global Partnerships

The work of Global Partnerships team has continued to develop and focuses on three main areas:

- In country training: providing training and support for training, in partnership with local training centres, at a variety of levels to meet the local needs.
- Immersion trips: providing experiences of the global church to groups of individuals from the UK, including from Cliff College.
- Theology X: providing a learning platform that underpins in country training either via the internet or a 'Theo' intranet device.

Coronavirus has changed the team's emphasis with Theology X becoming an invaluable tool that has enabled learning to continue.

The Global Partnerships team work in partnership with the Methodist Church Global Relationships team with developing relationships and partnerships with a number of British Methodist Church partners, including in Nigeria, Kenya, Korea, Sierra Leone and Uganda. Two other important relationships are with Perkins School of Theology, in Dallas, and the Methodist E Academy.

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 move to online learning has led to a significant investment in the Digital Theology Library, to support the physical resources at Cliff. The archive section continues to grow in size and importance, attracting 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. Sadly, Festival was again cancelled in 2021 and was replaced by Festival at Home, an online Festival that was supported by Methodist Church partners, the Methodist Church Learning Network and All We Can. Festival at Home was still able to provide a resource for church groups and individuals as well as being an important aspect of our student recruitment activity.

CCO (Cliff College Outreach Limited)

CCO is the trading arm of the College, providing a range of activities that support the charitable aims of the College. There are two specific areas of activity the CCO oversees:

- The Conference Centre provides high-quality facilities and modern accommodation options across the site to a wide range of customers. The closure of the College in March led to a number of cancellations but the diversification into online conferences and bed and breakfast and site rental continued to provide income.
- Theology X Commercial provides space on the online learning platform to a range of other organisations, both in the UK and across the globe.

Profits from CCO are donated to the College under the Gift Aid scheme. The board of directors continues to actively monitor the financial context in which CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

From a financial point of view, the College had a second difficult year due to the coronavirus pandemic and the second closure in December 2020. This impacted the financial performance in a number of ways:

- University of Manchester validated programmes were moved online and, in order to respond to this expectation, the College continued to invest in both hardware and software to ensure a quality product was available.
- Short courses had been cancelled from March 2020 and did not return until the summer of 2021. Some short courses have been moved online and these continue to be developed.
- The Cliff Year, the College's gap year programme, completed much of the year online with the majority of those involved moving on to further education including three joining undergraduate programmes at Cliff.
- The Conference Centre was not able to host any conferences until June 2021 and therefore lost the majority of its season. It was, however, able to diversify through the hosting of online conferences and providing bed and breakfast accommodation to the leisure market and renting the site out to a film company over the summer.
- The opportunity for the Global Partnership's team to travel was halted and other ways were found to support overseas partners.
- support and enable the work of global partners, particularly through the use of online solutions.

Property rentals remained strong but the College closure required students to remain at home for four months and therefore there was an overall reduction in income.

In January 2020 the College undertook a financial modelling exercise and put a number of strategies in place to minimise the end of year deficit. These included:

- the reduction of expenditure to that which was necessary to maintain the College and enable online learning
- the development of further online courses to develop new income streams
- the maximisation of government grants and incentives and making full use of the furlough scheme
- the development of new income generating business, eg. B&B, online conferences, etc.

Investment in IT systems and hardware was increased to meet the needs of online learning and significant expenditure was required to meet this need. This was funded through a legacy received during the year.

The College continues to make students aware of their financial responsibilities 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 UK students are able access loans from the Student Loans Company to finance their studies. Throughout the year, student accounts are closely monitored to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, whilst some of our Master's programme students are funded by their employer, these loans are beneficial to those who are not.

In July 2020, 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.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies and have continued to provide this support during the year. 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 CCC, 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 2021 the College held total reserves of £11,517,160. During the year, the College received income of £1,919,618 and had expenditure of £2,350,529 which after gains on investments of £17,625 and gains on the revaluation of fixed assets of £536,273 resulted in a net increase in reserves of £122,987.

The reserves have also increased by £2,641,733 following the restatement of the comparative figures to include land and buildings and investment properties at market value at 31 August 2020.

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. As at 31 August 2021 the College had a deficit of unrestricted free reserves of £118,264. The CCC are aware that the current level of free reserves is not consistent with the College's reserves policy but have agreed a strategy to restore reserves to an appropriate level. They therefore consider 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.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Plans for the future

The College has recognised that greater diversity in income is essential and its developing 'Vision 21', to be launched on 1 September 2021, is key to this way of working. In the medium term we are looking to three key developments:

- enhancing the College's package of courses and programmes including a wide range of online learning options, building on the innovations made in response to coronavirus
- making our learning platform more widely available to other users, to lease space for their own learning packages
- developing the site for leisure use at particular periods during the year, following a pilot in the summer of 2020

In the shorter term our priority is to replenish reserves and the College will enable that by selling one of the properties it owns. This will provide the College with a firm financial foundation on which to move forward with Vision 21, as highlighted above.



On behalf of the board of managing trustees,
Revd Ashley Cooper, Principal and Trustee

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 (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 2021 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 parent charity's affairs as at 31 August 2021, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 group and parent 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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. The trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Matters on which we are required to report by exception

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 parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they 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 group and parent 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 group or the parent 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 151 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The parent charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Audit procedures performed by the engagement team included:

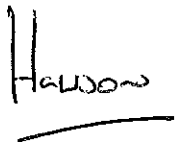
- Discussions with management and those responsible for legal compliance procedures within the parent charitable company to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

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

27 May 2022

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 2021

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	As restated Total 2020
		£	£	£	£	£
Income from:						
Donations and legacies	2	843,950	158,500	-	1,002,450	1,675,464
Charitable activities	3	580,127	-	-	580,127	701,451
Other trading activities	4	244,978	-	-	244,978	207,881
Investments	5	3,691	-	-	3,691	10,145
Other	6	88,372	-	-	88,372	207,275
Total income		1,761,118	158,500	-	1,919,618	2,802,216
Expenditure on:						
Charitable activities	7	1,621,581	263,827	-	1,885,408	2,149,093
Other		465,121	-	-	465,121	512,730
Total expenditure		2,086,702	263,827	-	2,350,529	2,661,823
Gains/(losses) on investments	12	(1,312)	(3,333)	22,270	17,625	2,826
Net (expenditure)/income		(326,896)	(108,660)	22,270	(413,286)	143,219
Transfer between funds		-	35,000	(35,000)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		536,273			536,273	2,641,733
Net movement in funds		209,377	(73,660)	(12,730)	122,987	2,784,952
Fund balances brought forward		10,345,293	641,850	407,030	11,394,173	8,609,221
Fund balances carried forward		10,554,670	568,190	394,300	11,517,160	11,394,173

CLIFF COLLEGE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 AUGUST 2021

		Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	As restated Total 2020
	Note	£	£	£	£	£
Income from:						
Donations and legacies	2	843,950	158,500	-	1,002,450	1,675,464
Charitable activities	3	580,127	-	-	580,127	701,451
Other trading activities	4	-	-	-	-	-
Investments	5	3,691	-	-	3,691	10,145
Other	6	142,622	-	-	142,622	265,275
Total income		1,570,390	158,500	-	1,728,890	2,652,335
Expenditure on:						
Charitable activities	7	1,621,581	263,827	-	1,885,408	2,149,093
Other		366,171	-	-	366,171	381,746
Total expenditure		1,987,752	263,827	-	2,251,579	2,530,839
Gains/(losses) on investments	12	(1,312)	(3,333)	22,270	17,625	2,826
Net (expenditure)/income		(418,674)	(108,660)	22,270	(505,064)	124,322
Transfer between funds		-	35,000	(35,000)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		536,273	-	-	536,273	2,641,733
Net movement in funds		117,599	(73,660)	(12,730)	31,209	2,766,055
Fund balances brought forward		10,515,706	641,850	407,030	11,564,586	8,798,531
Fund balances carried forward		10,633,305	568,190	394,300	11,595,795	11,564,586

CLIFF COLLEGE

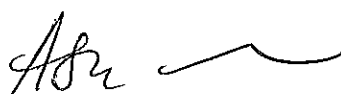
**CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2021**

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	11	10,672,934	10,160,082
Investments	12	494,402	546,777
		<u>11,167,336</u>	<u>10,706,859</u>
Current assets			
Debtors	13	567,982	728,169
Cash at bank and in hand		254,734	458,445
		<u>822,716</u>	<u>1,186,614</u>
Creditors: amounts falling due within one year	14	<u>(304,892)</u>	<u>(303,300)</u>
Net currents assets		<u>517,824</u>	<u>883,314</u>
Total assets less current liabilities		<u>11,685,160</u>	<u>11,590,173</u>
Creditors: amounts falling due after more than one year	15	<u>(168,000)</u>	<u>(196,000)</u>
Net assets		<u>11,517,160</u>	<u>11,394,173</u>
Capital funds			
Endowment funds	17	394,300	407,030
Income funds			
Restricted funds	18	568,190	641,850
Unrestricted funds General	19	10,554,670	10,345,293
		<u>11,517,160</u>	<u>11,394,173</u>

The financial statements were approved and authorised for issue by the Board on.....*24 May 2022*
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE

CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	11	10,672,934	10,160,082
Investments	12	494,402	546,777
		<u>11,167,336</u>	<u>10,706,859</u>
Current assets			
Debtors	13	630,329	918,763
Cash at bank and in hand		220,103	427,217
		<u>850,432</u>	<u>1,345,980</u>
Creditors: amounts falling due within one year	14	<u>(253,973)</u>	<u>(292,253)</u>
Net currents assets		<u>596,459</u>	<u>1,053,727</u>
Total assets less current liabilities		<u>11,763,795</u>	<u>11,760,586</u>
Creditors: amounts falling due after more than one year	15	<u>(168,000)</u>	<u>(196,000)</u>
Net assets		<u>11,595,795</u>	<u>11,564,586</u>
Capital funds			
Endowment funds	17	394,300	407,030
Income funds			
Restricted funds	18	568,190	641,850
Unrestricted funds General	19	10,633,305	10,515,706
		<u>11,595,795</u>	<u>11,564,586</u>

The financial statements were approved and authorised for issue by the Board on... 24 May 2022
Signed on behalf of the board of Trustees

Rev'd Ashley Cooper

Trustee



CLIFF COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Cash flow from operating activities	21	(205,385)	(168,671)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(36,350)	(46,989)
Interest received		2,326	7,050
Interest paid		(6,302)	(7,113)
Net cash flow from investing activities		(40,326)	(47,052)
		(245,711)	(215,723)
Cash flow from financing activities			
Disinvestments		70,000	75,000
Bank loan repayments		(28,000)	(28,000)
Net cash flow from financing activities		42,000	47,000
Net (decrease) in cash and cash equivalents		(203,711)	(168,723)
Cash and cash equivalents at beginning of year		458,445	627,168
Cash and cash equivalents at end of year		254,734	458,445

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2021

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), 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 (a company limited by guarantee, registered company number 02331438).

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.

Going concern

The current Covid-19 pandemic has given rise to an unexpected level of uncertainty for the charity. The charity has taken a number of actions to manage its cash flow. After due consideration of all relevant factors the charity's income and cash flow forecasts and projections indicate that the charity should be able to continue to operate for the foreseeable future.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

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 2021

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 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation 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.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on revaluation of fixed assets in the SoFA.

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021

1.6 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.

1.7 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.

1.8 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 16.

1.9 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.

1.10 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.

1.11 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 independent professional valuations. 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 2021

2 Donations and legacies

	Unrestricted Fund £	Group and Charity Restricted Fund £	Total 2021 £	Total 2020 £
Donations and gifts	65,701	-	65,701	100,935
Legacies receivable	144,699	-	144,699	471,889
DMLN grant from the Methodist Church	386,926	-	386,926	377,489
Global Partnership income	-	113,500	113,500	115,929
Other grants	246,624	45,000	291,624	609,222
	<u>843,950</u>	<u>158,500</u>	<u>1,002,450</u>	<u>1,675,464</u>
For the year ended 31 August 2020	<u>1,040,535</u>	<u>634,929</u>		<u>1,675,464</u>

	2021 £	2020 £
Legacies receivable		
Unrestricted funds		
A Wheeler	73,900	-
P Stephens	60,000	-
L K Keow	5,055	-
A Moden	5,639	252,000
D Ashworth	-	145,415
E Coggins	-	37,132
S Taylor	105	17,742
D Gammon	-	10,000
D Erdwin	-	6,100
S Drew	-	2,500
M Stoves	-	500
M Smaje	-	400
A Baxendale	-	100
	<u>144,699</u>	<u>471,889</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

3 Charitable activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Student fees and accommodation	580,127	691,581	580,127	691,581
Festival Income	-	1,810	-	1,810
Evangelism	-	8,060	-	8,060
	<u>580,127</u>	<u>701,451</u>	<u>580,127</u>	<u>701,451</u>

4 Other trading activities

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Trading income	<u>244,978</u>	<u>207,881</u>	<u>-</u>	<u>-</u>

5 Investment income

	Group and Charity			
	Unrestricted Funds	Restricted Funds	Total	Total
	£	£	2021	2020
	£	£	£	£
Central Finance Board Funds	2,326	-	2,326	7,050
Other investment income	<u>1,365</u>	<u>-</u>	<u>1,365</u>	<u>3,095</u>
	<u>3,691</u>	<u>-</u>	<u>3,691</u>	<u>10,145</u>
For the year ended 31 August 2020	<u>10,145</u>	<u>-</u>		<u>10,145</u>

6 Other income

	Group		Charity	
	2021	2020	2021	2020
	£	£	£	£
Rental Income	59,622	82,037	112,394	165,037
Other income	<u>28,750</u>	<u>125,238</u>	<u>30,228</u>	<u>100,238</u>
	<u>88,372</u>	<u>207,275</u>	<u>142,622</u>	<u>265,275</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

7 Charitable expenditure	Group and Charity				
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Staff costs	776,079	-	-	776,079	709,301
Methodist Church stipend costs	115,303	-	-	115,303	76,631
Student course costs	123,906	50,775	-	174,681	380,379
Festival costs	24,447	-	-	24,447	22,990
Global Partnership costs	-	81,416	-	81,416	121,743
Theology X Platform costs	-	131,636	-	131,636	102,086
Other	73,619	-	-	73,619	117,729
	<u>1,113,354</u>	<u>263,827</u>	<u>-</u>	<u>1,377,181</u>	<u>1,530,859</u>
Share of support costs (see note 8)	508,227	-	-	508,227	618,234
	<u>1,621,581</u>	<u>263,827</u>	<u>-</u>	<u>1,885,408</u>	<u>2,149,093</u>
For the year ended 31 August 2020	1,834,724	284,369	30,000		2,149,093

8 Allocation of support costs	Group and Charity		
	Charitable £	Other £	Total £
2021			
Governance	20,624	6,874	27,498
Finance	49,463	16,488	65,951
IT	74,972	24,991	99,963
Property costs	75,280	25,094	100,374
Depreciation	44,828	14,943	59,771
Office costs	63,421	21,140	84,561
Irrecoverable VAT	59,885	19,962	79,847
Other	119,754	39,917	159,671
	<u>508,227</u>	<u>169,409</u>	<u>677,636</u>
2020	£	£	£
Governance	28,053	9,351	37,404
Finance	47,937	15,979	63,916
IT	80,425	26,808	107,233
Property costs	92,417	30,806	123,223
Depreciation	116,443	38,814	155,257
Office costs	75,986	25,329	101,315
Irrecoverable VAT	62,977	20,992	83,969
Other	113,996	29,332	143,328
	<u>618,234</u>	<u>197,411</u>	<u>815,645</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

8 Allocation of support costs (continued)

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

Governance costs includes audit and accountancy fees for the year of £12,250 (2020: £21,583).

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, Operations Director, and Global and Learning Innovation Director. The total amount of benefits received by key management personnel is £180,350 (2020: £183,148).

Other than the Principal who is part of the Executive Committee, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year six (2020: six) members of the Cliff College Committee were reimbursed a total of £nil (2020: £901) relating to travel expenses.

10 Employees

	Group	
Number of employees	2021 Number	2020 Number
College	42	42

	Group	
Employment costs	2021 £	2020 £
Wages and salaries	1,034,325	975,115
Social security costs	91,511	85,624
Other pension costs	58,529	52,520
Total staff costs	1,184,365	1,113,259

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

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

11 Tangible fixed assets

Group and Charity

	Investment Properties	Land and Buildings	Computer Equipment	Plant, Equipment & Furniture	Motor Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 September 2020	3,722,727	6,352,000	321,279	458,463	19,700	10,874,169
Additions	-	-	33,280	3,070	-	36,350
Revaluation	372,273	164,000	-	-	-	536,273
At 31 August 2021	4,095,000	6,516,000	354,559	461,533	19,700	11,446,792
Depreciation						
At 1 September 2020	-	-	276,594	426,685	10,808	714,087
Charge for the year	-	-	39,500	19,709	562	59,771
At 31 August 2021	-	-	316,094	446,394	11,370	773,858
Net book value At 31 August 2021	4,095,000	6,516,000	38,465	15,139	8,330	10,672,934
At 31 August 2020	3,722,727	6,352,000	44,685	31,778	8,892	10,160,082

Land and buildings included at valuation had a historical cost of £8,780,405 with accumulated depreciation of £1,347,411.

Freehold land and buildings were subject to independent professional valuation at 31 August 2021. The valuation was undertaken by SMC Brownhill Vickers based on market value.

Investment Properties were subject to independent professional valuations at 31 August 2021. The valuations were undertaken by Riddle & Co and Valuation Limited based on market value.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

12 Fixed asset investments

	Group and Charity		
	CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
Market value at 1 September 2020	136,008	410,769	546,777
Disinvestments	-	(70,000)	(70,000)
Change in value in the year	24,966	(7,341)	17,625
Market value at 31 August 2021	160,974	333,428	494,402

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).

13 Debtors	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	199,338	162,085	109,913	134,674
Amounts owed by group undertakings	-	-	151,772	218,005
Other debtors	318,475	508,057	318,475	508,057
Prepayments and accrued income	50,169	58,027	50,169	58,027
	<u>567,982</u>	<u>728,169</u>	<u>630,329</u>	<u>918,763</u>

£Nil (2020: £203,500) of other debtors are recoverable in more than one year.

14 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	145,532	128,329	116,458	124,660
Tax and social security costs	39,085	24,738	22,319	23,160
Other creditors	43,766	42,886	38,687	37,086
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	48,509	79,347	48,509	79,347
	<u>304,892</u>	<u>303,300</u>	<u>253,973</u>	<u>292,253</u>

15 Creditors: amounts falling due after more than one year

	2021 £	2020 £	2021 £	2020 £
Bank Loan	<u>168,000</u>	<u>196,000</u>	<u>168,000</u>	<u>196,000</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

16 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 2020 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2021	2020
	%	%
Discount rate	1.7	1.6
RPI inflation rate	3.5	3.1
CPI inflation rate	2.8	2.2
Rate of increase in pensionable earnings	2.8	2.2
Rate of increase in pension payments	2.3/3.3/5.0	2.1/3.0/5.0

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

	31 August 2021	31 August 2020
	%	%
Equities	44	52
Corporate bonds	5	5
Property	8	9
Cash	9	9
Liability driven investment	30	20
Annuities	4	5

The following amounts at 31 August 2021 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	95.1
Present value of scheme liabilities	96.4
Net Defined Benefit Liability	(1.3)

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

16 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.

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 Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on that date.

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 2019 was carried out by the Scheme Actuary. This showed that the past service deficit had increased from £3.5m to £8.8m.

A full actuarial valuation is currently being carried out as at 1 September 2020 and is due to be completed by 30 November 2021.

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 £53,724 (2020: £52,520).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

17 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2021 £
General	10,782	-	-	-	1,486	12,268
Library	3,539	-	-	-	(64)	3,475
Ministerial	11,936	-	-	-	(226)	11,710
Perpetuated subscriptions	3,319	-	-	-	(63)	3,256
Student fees	226,744	-	-	(35,000)	(1,964)	189,780
Student fees (3 rd party interest)	123,856	-	-	-	22,736	146,592
Student prizes	18,067	-	-	-	531	18,598
Trekkers	8,787	-	-	-	(166)	8,621
	<u>407,030</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>22,270</u>	<u>394,300</u>

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2020 £
General	10,929	-	-	-	(147)	10,782
Library	3,508	-	-	-	31	3,539
Ministerial	11,826	-	-	-	110	11,936
Perpetuated subscriptions	3,288	-	-	-	31	3,319
Student fees	255,042	-	(30,000)	-	1,702	226,744
Student fees (3 rd party interest)	126,080	-	-	-	(2,224)	123,856
Student prizes	18,035	-	-	-	32	18,067
Trekkers	8,706	-	-	-	81	8,787
	<u>437,414</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(384)</u>	<u>407,030</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

18 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 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2021 £
Global Partnership	56,699	113,500	(81,416)	-	-	88,783
Bursary Fund	28,722	-	(15,775)	35,000	(543)	47,404
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	29,631	-	-	-	-	29,631
Theology X Project	390,069	45,000	(131,636)	-	-	303,433
Evangelistic Funds	80,715	-	(35,000)	-	(2,790)	42,925
Other	21,798	-	-	-	-	21,798
	<u>641,850</u>	<u>158,500</u>	<u>(228,827)</u>	<u>35,000</u>	<u>(3,333)</u>	<u>568,190</u>

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2020 £
Global Partnership	62,513	115,929	(121,743)	-	-	56,699
Bursary Fund	55,486	-	-	(27,029)	265	28,722
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	37,111	8,060	(15,540)	-	-	29,631
Theology X Project	-	519,000	(102,086)	(26,845)	-	390,069
Evangelistic Funds	96,583	-	(45,000)	27,029	2,103	80,715
Other	21,597	-	-	-	201	21,798
	<u>307,506</u>	<u>642,989</u>	<u>(284,369)</u>	<u>(26,845)</u>	<u>2,569</u>	<u>641,850</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

18 Restricted funds

Global Partnership 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 **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.

The **Story Project** is a national partnership involving the Methodist Church's Evangelism and Growth Team, Cliff College and the Regional Learning Network. Its aim is to give people both the platform and confidence to share their story.

The **Theology X** project comprises funds provided by the Methodist Church to aid the development of an online learning platform, Theology X.

Evangelistic Funds exist to encourage and enable Christian outreach through training, support and missional activity.

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

Transfer between funds in the included the transfer permanent endowment funds to restricted Bursary fund to fund student bursaries and the transfer from the Evangelistic Fund to unrestricted funds to contribute to the funding of the Cliff year programme.

19 Restatement of comparatives

The prior year figures within the SoFA and Balance Sheet have been restated to reflect the reclassification of investment properties within tangible fixed assets and to include investment properties and land and buildings at market value at 31 August 2020. The effect of the restatement has been to increase the carrying value of the properties in the balance sheet and unrestricted fund balance at 31 August 2020 by £2,641,733.

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021[illegible]

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

	Group	
	2021	2020
	£	£
21 Reconciliation of net (expenditure)/income to net cash flow from operating activities		
Net (expenditure)/ income for the year	(413,286)	143,219
Interest receivable	(2,326)	(7,050)
Interest payable	6,302	7,113
(Gains) on investment	(17,625)	(2,825)
Depreciation on tangible fixed assets	59,771	155,257
Decrease (Increase) in debtors	160,187	(480,565)
Increase in creditors	1,592	16,180
Net cash flow from operating activities	(205,385)	(168,671)

22 Operating lease commitments

At 31 August 2021 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2021	2020
	£	£
Within one year	800	800
Within two to five years	267	1,067
Total	1,067	1,867

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

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 2021 and results for the year then ended are as follows:

	Cliff College Outreach Ltd
	£
Turnover	244,978
Cost of sales	(27,936)
Gross profit	217,042
Administrative expenses	(154,014)
Other operating income	28,750
Profit for the year	91,778
Debtors	89,425
Cash at bank and in hand	34,631
	124,056
Creditors	(202,691)
Net liabilities	(78,635)