

CHARITY REGISTRATION NUMBER 529386

CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2022

CLIFF COLLEGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Ashley France
Revd Mark Hammond (appointed 1 September 2021)
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 2022

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2022.

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)
Ashley France
Revd Mark Hammond
Matthew Lee
Revd Leslie Newton
Revd Raj Patta
Joan Ryan
Revd Paul Smith

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 2022

Objectives and activities

The College's vision is to be 'A Global Centre for Evangelism and Missiology' Cliff College's uniqueness is as a community being formed by God's Spirit and centred on God's Word, equipping people for practical ministry and engaging in mission.

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:

- insufficient student numbers leading to a loss in income
- changes in Government legislation and/or the policies of our partners
- the Methodist Church specifically in the light of declining numbers, financial instability and internal restructure

These risks have been managed in a variety of ways:

The college has developed a new 5-year business plan seeking to diversify the income and manage the expenditure.

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. We have invested in a 'Admissions Officer' to make applying for our courses more streamlined. 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 2022

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. The College has its five yearly revalidation with the University of Manchester in the near future and preparations are underway for that process.

The college has renewed its commitment to work with the Methodist Church, but with a clear strategy and framework of expectation. This has resulted in a 'Shared Mission Plan' which enables the college to clearly identify the areas of work expected and offers a clear opportunity to monitor the relationship with the church and its impacts on the wider life of the college.

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 from 1 January 2016. (This will now be reviewed in September 2024)

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.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 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. Festival is a resource to engage with people of all ages through a variety of workshops and worship. Festival also provides an opportunity to the college to promote all its courses and specifically its undergraduate course to young people attending.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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.

Financial review

From a financial point of view, the College had a difficult year with continued nervousness due to the coronavirus pandemic with students and conference guest not coming on site and studying online. This impacted the financial performance in several ways:

- Several short courses were cancelled throughout the year due to lack of numbers.
- The Conference Centre saw reduced numbers attending especially during the first half of the year.
- Applications for validated on site courses were reduced.

Investment Property rentals remained strong, and the college was able to offer new training to Mission Partners of the Methodist Church which resulted in un-budgeted income being received.

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. The next budget cycle will be approved at the conference of 2023.

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.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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 2022 the College held total reserves of £11,015,285. During the year, the College received income of £2,057,434 and had expenditure of £2,737,244 which after losses on investments of £37,065 and gains on the revaluation of fixed assets of £215,000 resulted in a net decrease in reserves of £501,875.

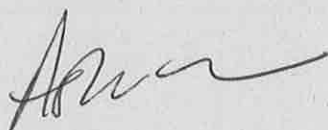
It is the policy of the College that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. As at 31 August 2022 the College had a deficit of unrestricted free reserves of £3,783. The CCC are aware 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.

Plans for the future/going concern

The College has recognised that greater diversity in income is essential and the business plan for Sept 2023-28 is to be launched on 1 September 2023, 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, this will include the new opportunity for caravan pitches

In the shorter term our priority is to replenish reserves and the College has sold a property to enable this to be fulfilled. This will provide the College with a firm financial foundation on which to move forward with its plans, as highlighted above.



On behalf of the board of managing trustees,

Revd Ashley Cooper, Principal and Trustee

27/03/2023

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 2022 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 2022, 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 7, 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:

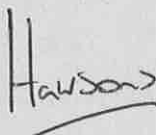
- Discussions with management and those responsible for legal compliance procedures within the parent charitable company to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected 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

31 March 2023

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 2022

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
		£	£	£	£	£
Income from:						
Donations and legacies	2	680,577	126,129	-	806,706	1,002,450
Charitable activities	3	706,491	-	-	706,491	580,127
Other trading activities	4	332,062	-	-	332,062	244,978
Investments	5	6,838	-	-	6,838	3,691
Other	6	205,337	-	-	205,337	88,372
Total income		1,931,305	126,129	-	2,057,434	1,919,618
Expenditure on:						
Charitable activities	7	1,871,314	266,905	-	2,138,219	1,885,408
Other		599,025	-	-	599,025	465,121
Total expenditure		2,470,339	266,905	-	2,737,244	2,350,529
(Losses)/gains on investments	12	(36,576)	-	(489)	(37,065)	17,625
Net (expenditure)/income		(575,610)	(140,776)	(489)	(716,875)	(413,286)
Transfer between funds		470,239	(92,280)	(377,959)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		215,000	-	-	215,000	536,273
Net movement in funds		109,629	(233,056)	(378,448)	(501,875)	122,987
Fund balances brought forward		10,732,510	390,350	394,300	11,517,160	11,394,173
Fund balances carried forward		10,842,139	157,294	15,852	11,015,285	11,517,160

CLIFF COLLEGE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
		£	£	£	£	£
Income from:						
Donations and legacies	2	680,577	126,129	-	806,706	1,002,450
Charitable activities	3	706,491	-	-	706,491	580,127
Other trading activities	4	2,010	-	-	2,010	-
Investments	5	6,838	-	-	6,838	3,691
Other	6	295,337	-	-	295,337	142,622
Total income		1,691,253	126,129	-	1,817,382	1,728,890
Expenditure on:						
Charitable activities	7	1,871,314	266,905	-	2,138,219	1,885,408
Other		398,283	-	-	398,283	366,171
Total expenditure		2,269,597	266,905	-	2,536,502	2,251,579
(Losses)/gains on investments	12	(36,576)	-	(489)	(37,065)	17,625
Net (expenditure)/income		(614,920)	(140,776)	(489)	(756,185)	(505,064)
Transfer between funds		470,239	(92,280)	(377,959)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		215,000	-	-	215,000	536,273
Net movement in funds		70,319	(233,056)	(378,448)	(541,185)	31,209
Fund balances brought forward		10,811,145	390,350	394,300	11,595,795	11,564,586
Fund balances carried forward		10,881,464	157,294	15,852	11,054,610	11,595,795

CLIFF COLLEGE

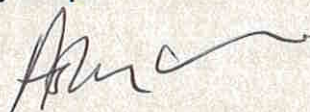
CONSOLIDATED BALANCE SHEET YEAR ENDED 31 AUGUST 2022

	Note	2022 £	As Restated 2021 £
Fixed assets			
Tangible assets	11	10,845,922	10,672,934
Investments	12	15,852	494,402
		<u>10,861,774</u>	<u>11,167,336</u>
Current assets			
Debtors	13	332,491	567,982
Cash at bank and in hand		196,035	254,734
		<u>528,526</u>	<u>822,716</u>
Creditors: amounts falling due within one year	14	<u>(235,015)</u>	<u>(304,892)</u>
Net currents assets		<u>293,511</u>	<u>517,824</u>
Total assets less current liabilities		<u>11,155,285</u>	<u>11,685,160</u>
Creditors: amounts falling due after more than one year	15	<u>(140,000)</u>	<u>(168,000)</u>
Net assets		<u>11,015,285</u>	<u>11,517,160</u>
Capital funds			
Endowment funds	17	15,852	394,300
Income funds			
Restricted funds	18	157,294	390,350
Unrestricted funds General		<u>10,842,139</u>	<u>10,732,510</u>
		<u>11,015,285</u>	<u>11,517,160</u>

The financial statements were approved and authorised for issue by the Board on 27/03/2023
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE

**CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	As Restated 2021 £
Fixed assets			
Tangible assets	11	10,845,922	10,672,934
Investments	12	15,852	494,402
		<u>10,861,774</u>	<u>11,167,336</u>
Current assets			
Debtors	13	396,994	630,329
Cash at bank and in hand		153,057	220,103
		<u>550,051</u>	<u>850,432</u>
Creditors: amounts falling due within one year	14	<u>(217,215)</u>	<u>(253,973)</u>
Net currents assets		<u>332,836</u>	<u>596,459</u>
Total assets less current liabilities		<u>11,194,610</u>	<u>11,763,795</u>
Creditors: amounts falling due after more than one year	15	<u>(140,000)</u>	<u>(168,000)</u>
Net assets		<u>11,054,610</u>	<u>11,595,795</u>
Capital funds			
Endowment funds	17	15,852	394,300
Income funds			
Restricted funds	18	157,294	390,350
Unrestricted funds General		<u>10,881,464</u>	<u>10,811,145</u>
		<u>11,054,610</u>	<u>11,595,795</u>

The financial statements were approved and authorised for issue by the Board on 27/03/2023
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE

**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Cash flow from operating activities	21	(424,260)	(205,385)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(49,287)	(36,350)
Receipts from sale of investments		441,485	70,000
Interest received		6,838	2,326
Interest paid		(5,475)	(6,302)
Net cash flow from investing activities		393,561	29,674
		(30,699)	(175,711)
Cash flow from financing activities			
Bank loan repayments		(28,000)	(28,000)
Net cash flow from financing activities		(28,000)	(28,000)
Net (decrease) in cash and cash equivalents		(58,699)	(203,711)
Cash and cash equivalents at beginning of year		254,734	458,445
Cash and cash equivalents at end of year		196,035	254,734

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2022

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

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 2022

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.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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 2022

2 Donations and legacies

	Unrestricted Fund £	Group and Charity Restricted Fund £	Total 2022 £	Total 2021 £
Donations and gifts	60,182	-	60,182	65,701
Legacies receivable	162,303	-	162,303	144,699
DMLN grant from the Methodist Church	425,096	-	425,096	386,926
Global Partnership income	-	126,129	126,129	113,500
Other grants	32,996	-	32,996	291,624
	<u>680,577</u>	<u>126,129</u>	<u>806,706</u>	<u>1,002,450</u>
For the year ended 31 August 2021	<u>843,950</u>	<u>158,500</u>		<u>1,002,450</u>

	2022 £	2021 £
Legacies receivable		
Unrestricted funds		
S Britton	90,000	-
A Wheeler	20	73,900
P Stephens	72,283	60,000
L K Keow	-	5,055
A Moden	-	5,639
S Taylor	-	105
	<u>162,303</u>	<u>144,699</u>

3 Charitable activities

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Student fees	638,308	580,127	638,308	580,127
Festival Income	68,183	-	68,183	-
	<u>706,491</u>	<u>580,127</u>	<u>706,491</u>	<u>580,127</u>

4 Other trading activities

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trading income	332,062	244,978	2,010	-

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

5 Investment income

	Group and Charity			
	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
	£	£	£	£
Central Finance Board Funds	6,838	-	6,838	2,326
Other investment income	-	-	-	1,365
	<u>6,838</u>	<u>-</u>	<u>6,838</u>	<u>3,691</u>
For the year ended 31 August 2021	<u>3,691</u>	<u>-</u>		<u>3,691</u>

6 Other income

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Rental Income	201,337	59,622	169,749	112,394
Other income	4,000	28,750	125,588	30,228
	<u>205,337</u>	<u>88,372</u>	<u>295,337</u>	<u>142,622</u>

7 Charitable expenditure

	Group and Charity				
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
	£	£	£	£	£
Staff costs	758,569	62,835	-	821,404	776,079
Methodist Church stipends	106,668	66,953	-	173,621	115,303
Student course costs	161,907	30,264	-	192,171	174,681
Festival costs	101,917	-	-	101,917	24,447
Global Partnership costs	-	66,733	-	66,733	81,416
Theology X Platform costs	-	40,120	-	40,120	131,636
Other	94,942	-	-	94,942	73,619
	<u>1,224,003</u>	<u>266,905</u>	<u>-</u>	<u>1,490,908</u>	<u>1,377,181</u>
Share of support costs (see note 8)	647,311	-	-	647,311	508,227
	<u>1,871,314</u>	<u>266,905</u>	<u>-</u>	<u>2,138,219</u>	<u>1,885,408</u>
For the year ended 31 August 2021	<u>1,621,581</u>	<u>263,827</u>	<u>-</u>		<u>1,885,408</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

8 Allocation of support costs	Group and Charity		Total £
	Charitable £	Other £	
2022			
Governance	32,492	10,831	43,323
Finance	42,736	14,245	56,981
IT	85,292	28,431	113,723
Property costs	89,970	29,990	119,960
Depreciation	68,478	22,826	91,304
Office costs	117,800	39,266	157,066
Irrecoverable VAT	62,630	20,876	83,506
Other	147,913	49,305	197,218
	<u>647,311</u>	<u>215,770</u>	<u>863,081</u>
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>

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

Governance costs includes audit and accountancy fees for the year of £13,925 (2021: £12,250).

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 £230,689 (2021: £180,350).

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 (2021: six) members of the Cliff College Committee were reimbursed a total of £828 (2021: £901) relating to travel expenses.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

10 Employees

	Group 2022 Number	2021 Number
Number of employees		
College	43	42

	Group 2022 £	2021 £
Employment costs		
Wages and salaries	1,092,814	1,034,325
Social security costs	105,359	91,511
Other pension costs	62,254	58,529
Total staff costs	1,260,427	1,184,365

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

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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 2021	4,095,000	6,516,000	354,559	461,533	19,700	11,446,792
Additions	-	-	24,934	24,353	-	49,287
Revaluation	215,000	-	-	-	-	215,000
At 31 August 2022	4,310,000	6,516,000	379,7493	485,886	19,700	11,711,079
Depreciation						
At 1 September 2021	-	-	316,094	446,394	11,370	773,858
Charge for the year	-	46,190	35,692	8,743	674	91,299
At 31 August 2022	-	46,190	351,786	455,137	12,044	865,157
Net book value						
At 31 August 2022	4,310,000	6,469,810	27,707	30,749	7,656	10,845,922
At 31 August 2021	4,095,000	6,516,000	38,465	15,139	8,330	10,672,934

Investment Properties included at valuation had a historical cost of £1,778,218 (2021: £1,778,218) with accumulated depreciation of £80,973. (2021: £80,973). Land and buildings included at valuation had a historical cost of £7,002,187 (2021: £7,002,187) with accumulated depreciation of £1,312,628 (2021: £1,266,438).

Freehold land and buildings were subject to independent professional valuation at 31 August 2021.

Investment Properties were subject to independent professional valuations at 31 August 2022. The valuations were undertaken by Riddle & Co based on market value.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

12 Fixed asset investments

	Group and Charity		
	CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
Market value at 1 September 2021	160,974	333,428	494,402
Disinvestments	(137,494)	(304,018)	(441,485)
Change in value in the year	(8,075)	(28,963)	(37,065)
Market value at 31 August 2022	15,405	447	15,852

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	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	111,480	199,338	46,456	109,913
Amounts owed by group undertakings	-	-	129,527	151,772
Other debtors	174,929	318,475	174,929	318,475
Prepayments and accrued income	46,082	50,169	46,082	50,169
	332,491	567,982	396,994	630,329

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	116,991	145,532	114,151	116,458
Tax and social security costs	39,307	39,085	26,097	22,319
Other creditors	9,193	43,766	9,193	38,687
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	41,524	48,509	39,774	48,509
	235,015	304,892	217,215	253,973

15 Creditors: amounts falling due after more than one year

	2022 £	2021 £	2022 £	2021 £
Bank Loan	140,000	168,000	140,000	168,000

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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 2022 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2022	2021
	%	%
Discount rate	3.9	1.7
RPI inflation rate	3.5	3.5
CPI inflation rate	3.0	2.8
Rate of increase in pensionable earnings	3.0	2.8
Rate of increase in pension payments	2.3/3.4/5.0	2.3/3.3/5.0

The major categories of the Scheme's assets (excluding money purchase AVCs) as a percentage of the total Scheme assets, were as follows:

	31 August 2022	31 August 2021
	%	%
Equities	12	44
Corporate bonds	37	5
Property	10	8
Cash	16	9
Liability driven investment	20	30
Annuities	5	4

The following amounts at 31 August 2022 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	70.0
Present value of scheme liabilities	66.9
Net overfunding in Scheme	3.1
Unrecognised assets	(3.1)
Net Defined Benefit Asset	0.0

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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 2020 by the Scheme Actuary. The valuation disclosed a past service deficit of £16.7m. It was agreed that the shortfall revealed at 1 September 2020 should be eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £2,380,000 per annum each August, starting August 2021 up to and including August 2026; and
- Between £0 and £529,000 each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary having regard to Scheme experience.

An update of the funding position as at 1 September 2021 was carried out by the Scheme Actuary. This showed that the past service deficit had reduced from £16.7m to £1.6m.

The next full actuarial valuation is due to be carried out as at 1 September 2023.

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 £62,254 (2021: £58,529).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

17 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2022 £
General	12,268	-	-	(2,799)	(490)	8,979
Library	3,475	-	-	(3,475)	-	-
Ministerial	11,710	-	-	(11,710)	-	-
Perpetuated subscriptions	3,256	-	-	(3,256)	-	-
Student fees	189,780	-	-	(189,780)	-	-
Student fees (3 rd party interest)	146,592	-	-	(146,592)	-	-
Student prizes	18,598	-	-	(11,726)	1	6,873
Trekkers	8,621	-	-	(8,621)	-	-
	<u>394,300</u>	<u>-</u>	<u>-</u>	<u>(377,959)</u>	<u>(489)</u>	<u>15,852</u>

	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>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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.

	As restated Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Investment Gains/ (losses) £	Balance 31 August 2022 £
Global Partnership	48,255	116,129	(88,894)	6,371	-	81,861
Bursary Fund	47,404	-	(21,614)	-	-	25,790
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Support Fund	6,371	-	-	(6,371)	-	-
The Story Project	29,631	-	-	(29,631)	-	-
Theology X Project	166,121	10,000	(113,472)	(62,649)	-	-
Evangelistic Funds	42,925	-	(42,925)	-	-	-
Other	21,798	-	-	-	-	21,798
	390,350	126,129	(266,905)	(92,280)	-	157,294

As restated (see note 19)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2021 £
Global Partnership	56,699	113,500	(121,944)	-	-	48,255
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	(268,948)	-	-	166,121
Evangelistic Funds	80,715	-	(35,000)	-	(2,790)	42,925
Other	21,798	-	-	-	-	21,798
	641,850	158,500	(441,667)	35,000	(3,333)	390,350

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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.

Transfers

Permanent Endowment Funds

Transfers include the transfer to unrestricted funds after confirmation was received from TMCP that funds held were Surplus Funds (both capital and income can be used for any purpose). The remaining investments have been confirmed as Permanent Endowments.

Restricted

Transfers include the transfer of World Mission Support Funds to Global Partnership as both funds have the same objective. The transfer shown from the Story Project and Theology X to unrestricted funds relate to funds spent in concluding each project.

19 Restatement of comparatives

The prior year figures within the SoFA and Balance Sheet have been restated to reflect the reclassification of expenditure from unrestricted funds to restricted funds. The effect of the restatement has been to increase unrestricted funds by £177,840 and reduce restricted fund balances by the same amount at 31 August 2021. There has been no change to total fund balances at 31 August 2021.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds

2022	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total 2022 £
Charity				
Tangible fixed assets	10,845,922	-	-	10,845,922
Investments	-	-	15,852	15,852
Net current assets	175,542	157,294	-	332,836
Creditor greater than one year	(140,000)	-	-	(140,000)
	<u>10,881,464</u>	<u>157,294</u>	<u>15,852</u>	<u>11,054,610</u>
Cliff College Outreach Ltd				
Net current assets	(39,325)	-	-	(39,325)
Group	<u>10,842,139</u>	<u>157,294</u>	<u>15,852</u>	<u>11,015,285</u>
As restated 2021				
Charity				
Tangible fixed assets	10,672,934	-	-	10,672,934
Investments	68,079	149,200	277,123	494,402
Net current assets	238,132	241,150	117,177	596,459
Creditor greater than one year	(168,000)	-	-	(168,000)
	<u>10,811,145</u>	<u>390,350</u>	<u>394,300</u>	<u>11,595,795</u>
Cliff College Outreach Ltd				
Net current assets	(78,635)	-	-	(78,635)
Group	<u>10,732,510</u>	<u>390,350</u>	<u>394,300</u>	<u>11,517,160</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

21 Reconciliation of net (expenditure) to net cash flow from operating activities	Group	
	2022 £	2021 £
Net (expenditure) for the year	(716,875)	(413,286)
Interest receivable	(6,838)	(2,326)
Interest payable	5,475	6,302
Losses/(gains) on investment	37,065	(17,625)
Depreciation on tangible fixed assets	91,299	59,771
Decrease in debtors	235,491	160,187
(Decrease) Increase in creditors	(69,877)	1,592
Net cash flow from operating activities	(424,260)	(205,385)

22 . Operating lease commitments

At 31 August 2022 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2022 £	2021 £
Within one year	267	800
Within two to five years	-	267
Total	267	1,067

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

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 2022 and results for the year then ended are as follows:

	Cliff College Outreach Ltd £
Turnover	330,052
Cost of sales	(76,577)
Gross profit	253,475
Administrative expenses	(218,165)
Other operating income	4,000
Profit for the year	39,310
Debtors	65,024
Cash at bank and in hand	42,976
	108,002
Creditors	(147,327)
Net liabilities	(39,325)

