

CHARITY REGISTRATION NUMBER 529386

**CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2023**

CLIFF COLLEGE

CONTENTS

	Page
Trustees' report	1 – 7
Statement of trustees' responsibilities	8
Auditor's report	9 – 11
Consolidated statement of financial activities	12
Charity statement of financial activities	13
Consolidated balance sheet	14
Charity balance sheet	15
Consolidated cash flow statement	16
Notes to the accounts	17 – 32

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Reference and Administration Details

Trustees	Revd Loraine Mellor (Chair) Revd Ashley Cooper (Principal) Revd Jonathan Dean Revd Mark Hammond Revd Leslie Newton Revd Janet Unsworth
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

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2023.

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) (resigned 25 September 2023)
Revd Ashley Cooper (Principal)
Revd Jonathan Dean (appointed 25 September 2023)
Ashley France (resigned 31 August 2023)
Revd Mark Hammond
Matthew Lee (resigned 24 March 2023)
Revd Leslie Newton
Revd Raj Patta (resigned 25 September 2023)
Joan Ryan (resigned 25 September 2023)
Revd Paul Smith (resigned 25 September 2023)
Revd Janet Unsworth (appointed 25 September 2023)

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 Senior Strategy Group (an internal management group consisting of the Principal, Vice Principal Academic, Vice Principal Mission and Chief Operating Officer). 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 2023

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, Ministry and Ministry Development courses and a Summer School to serve the needs of lay people in the church
- evangelism and mission team 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 CCC 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 Senior Strategy Group 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:

1. insufficient student numbers leading to a loss in income.
2. insufficient conference centre bookings.
3. changes in Government legislation and/or the policies of our partners.
4. a renegotiation of the College's relationship with the Methodist Church.
5. negative publicity leading to a loss of confidence for the College's position within the UK church and Higher Education sector.

These risks have been managed in a variety of ways:

1. In terms of student recruitment, the 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 an 'Admissions Officer' to make applying for our courses more streamlined. Recruitment processes have been developed online with successful virtual open days.
2. The creation of a new Commercial Manager role to increase profitability of the Conference Centre.
3. The College remains up to date with government policy and maintains good relationships with the Office for Students. Relevant staff members have undertaken training to ensure compliance in key areas. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood. The College's planned Institutional and Periodic Review by the University of Manchester has been scheduled for the 23/24 academic year.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

4. The Methodist Church has renewed its commitment to Cliff College through the development of 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.
5. As required, the College's presence in media and social media has been closely monitored, and advice has been taken where needed to ensure that the College is represented fairly. Managing the College's public reputation is an activity which is shared by the Methodist Church in Britain, who have committed to fund potential liability arising from the College's actions.

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, and the college has an active Collaborative Agreement with the University's School of Arts, Languages, and Cultures.

In September 2022, a new programme of Mission and Ministry Development units at Level 4 (first year undergraduate) was launched, acting as a new stream for recruitment to the wider academic programmes of the College.

Undergraduate programmes include:

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

During this year, a new Certificate, Diploma and Bachelors (Honours) degree programmes in Theology and Mission has been developed and designed by the College and validated by the University of Manchester, to replace the existing two undergraduate programmes from September 2024.

Postgraduate programmes include Postgraduate Certificate, Diploma and Masters degree programmes in Mission. Students may study on 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
- Pioneering Ministries/Fresh Expressions

The College provides supervision for students on doctoral programmes, which are awarded by the University of Manchester. Alongside a standard PhD, the College also has a professional doctorate programme, the PhD Missiology.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

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, including increasingly online. 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. 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.

During this year, the College has secured an opportunity to provide research for the Methodist Church's New Places for New People/Church at the Margins initiative, and will recruit a Research Fellow to fulfil this exciting opportunity.

The College is also a member of the Manchester Wesley Research Centre, which connects the College with other institutions in the Methodist, Wesleyan, Evangelical, Holiness and Pentecostal traditions, and resources research and scholarship.

Cliff Global Partnerships

Cliff College's work with global partners 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.

The College works in partnership with the Methodist Church Global Relationships team in developing relationships with a number of British Methodist Church partners and their theological institutions. In this year, this has included continued support and development for theological and practical training in Sierra Leone, Nigeria and Zimbabwe. The College was represented at the Wesley Theological Society held at Asbury, Kansas in February 2023, and continues to develop strong links with the Methodist Church in Ireland and the European Methodist eAcademy.

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. During the year, further acquisitions of relevant material for both the archive and the library have been made.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

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 supported by Methodist Church partners, the Methodist Church Learning Network and All We Can. Festival is 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.
- Theology X Commercial provides an online learning platform for a range of other organisations, both in the UK and across the globe. It also provides access to professional studio recording and editing facilities, in order for partners to build high-quality online learning opportunities.

The board of directors continues to actively monitor the financial context in CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges. Any profits from CCO are provided to College for its charitable purposes.

Financial review

From a financial point of view, the College had an expected difficult year; however, investment in recruitment processes means that student number forecasts for next year are healthy, and conference bookings are starting to move in the right direction. Investment Property rentals remained strong.

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 and students that attend site for teaching weeks, 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. Many 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, while some of our Master's programme students are funded by their employer, these loans are beneficial to those who are not.

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. The college remains 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 2023

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. The Senior Strategy Group are now part of the Methodist Church's Connexional Team, and salaries for these members of staff are set by the Connexional Team.

Reserves policy

At the 31 August 2023 the College held total reserves of £10,278,912. During the year, the College received income of £1,819,249 and had expenditure of £2,724,627 which after losses on investments of £995 and gains on the revaluation of fixed assets of £170,000 resulted in a net decrease in reserves of £736,373.

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 2023 the College had a deficit of unrestricted free reserves of £167,499. 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 this is reflected in the adoption of a new five year business plan for the financial years 2023-2028. The plan directs the work of the College in developing its two core income streams:

- Providing a full range of accessible learning opportunities, at all levels, to grow a vibrant and diverse student body, both onsite and online.
- Maximising the use of the Conference Centre, both for external conference bookings as well as leisure rentals.

In the shorter term our priority is to replenish reserves and the College has sold a property to work towards this, as part of a wider strategy with regard to its assets. This will provide the College with a firm financial foundation on which to move forward with the business plan, 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.

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 2023 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 2023, 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;
- have been prepared in accordance with the requirements of the Charities Act 2011;
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

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.

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 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 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

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 2023

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Income from:						
Donations and legacies	2	750,651	100,000	-	850,651	806,706
Charitable activities	3	475,432	-	-	475,432	706,491
Other trading activities	4	307,703	-	-	307,703	332,062
Investments	5	14,253	-	-	14,253	6,838
Other	6	171,210	-	-	171,210	205,337
Total income		<u>1,719,249</u>	<u>100,000</u>	<u>-</u>	<u>1,819,249</u>	<u>2,057,434</u>
Expenditure on:						
Charitable activities	7	2,154,429	45,024	-	2,199,453	2,138,219
Other		<u>525,174</u>	<u>-</u>	<u>-</u>	<u>525,174</u>	<u>599,025</u>
Total expenditure		<u>2,679,603</u>	<u>45,024</u>	<u>-</u>	<u>2,724,627</u>	<u>2,737,244</u>
(Losses) on investments	12	<u>-</u>	<u>-</u>	<u>(995)</u>	<u>(995)</u>	<u>(37,065)</u>
Net (expenditure)/income		<u>(960,354)</u>	<u>54,976</u>	<u>(995)</u>	<u>(906,373)</u>	<u>(716,875)</u>
Transfer between funds		27,505	(27,505)	-	-	-
Other recognised gains						
Gains on revaluation of fixed assets		<u>170,000</u>	<u>-</u>	<u>-</u>	<u>170,000</u>	<u>215,000</u>
Net movement in funds		<u>(762,849)</u>	<u>27,471</u>	<u>(995)</u>	<u>(736,373)</u>	<u>(501,875)</u>
Fund balances brought forward		<u>10,842,139</u>	<u>157,294</u>	<u>15,852</u>	<u>11,015,285</u>	<u>11,517,160</u>
Fund balances carried forward		<u>10,079,290</u>	<u>184,765</u>	<u>14,857</u>	<u>10,278,912</u>	<u>11,015,285</u>

CLIFF COLLEGE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Income from:						
Donations and legacies	2	750,651	100,000	-	850,651	806,706
Charitable activities	3	475,432	-	-	475,432	706,491
Other trading activities	4	865	-	-	865	2,010
Investments	5	14,253	-	-	14,253	6,838
Other	6	271,210	-	-	271,210	295,337
Total income		1,512,411	100,000	-	1,612,411	1,817,382
Expenditure on:						
Charitable activities	7	2,154,429	40,881	-	2,199,453	2,138,219
Other		343,695	-	-	343,695	398,283
Total expenditure		2,498,124	45,024	-	2,543,148	2,536,502
(Losses) on investments	12	-	-	(995)	(995)	(37,065)
Net (expenditure)/income		(985,713)	54,976		(931,732)	(756,185)
Transfer between funds		27,505	(27,505)	-	-	-
Other recognised gains						
Gains on revaluation of fixed assets		170,000	-	-	170,000	215,000
Net movement in funds		(788,208)	27,471	(995)	(761,732)	(541,185)
Fund balances brought forward		10,881,464	157,294	15,852	11,054,610	11,595,795
Fund balances carried forward		10,093,256	184,765	14,857	10,292,878	11,054,610

CLIFF COLLEGE**CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	10,247,411	10,845,922
Investments	12	14,857	15,852
		<u>10,262,268</u>	<u>10,861,774</u>
Current assets			
Debtors	13	272,954	332,491
Cash at bank and in hand		<u>251,968</u>	<u>196,035</u>
		524,922	528,526
Creditors: amounts falling due within one year	14	<u>(396,278)</u>	<u>(235,015)</u>
Net current assets		<u>128,644</u>	<u>293,511</u>
Total assets less current liabilities		<u>10,390,912</u>	<u>11,155,285</u>
Creditors: amounts falling due after more than one year	15	<u>(112,000)</u>	<u>(140,000)</u>
Net assets		<u>10,278,912</u>	<u>11,015,285</u>
Capital funds			
Endowment funds	17	14,857	15,852
Income funds			
Restricted funds	18	184,765	157,294
Unrestricted funds General		<u>10,079,290</u>	<u>10,842,139</u>
		<u>10,278,912</u>	<u>11,015,285</u>

The financial statements were approved and authorised for issue by the Board on 7 March 2024

Signed on behalf of the board of Trustees

Revd Ashley Cooper – Trustee



Revd Andrew Stobart – OfS accountable officer



CLIFF COLLEGE**CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	10,247,411	10,845,922
Investments	12	14,857	15,852
		<u>10,262,268</u>	<u>10,861,774</u>
Current assets			
Debtors	13	260,807	396,994
Cash at bank and in hand		236,400	153,057
		<u>497,207</u>	<u>550,051</u>
Creditors: amounts falling due within one year	14	<u>(354,597)</u>	<u>(217,215)</u>
Net currents assets		<u>142,610</u>	<u>332,836</u>
Total assets less current liabilities		<u>10,404,878</u>	<u>11,194,610</u>
Creditors: amounts falling due after more than one year	15	<u>(112,000)</u>	<u>(140,000)</u>
Net assets		<u>10,292,878</u>	<u>11,054,610</u>
Capital funds			
Endowment funds	17	14,857	15,852
Income funds			
Restricted funds	18	184,765	157,294
Unrestricted funds General		<u>10,093,256</u>	<u>10,881,464</u>
		<u>10,292,878</u>	<u>11,054,610</u>

The financial statements were approved and authorised for issue by the Board on 7 March 2024

Signed on behalf of the board of Trustees

Revd Ashley Cooper - Trustee



Revd Andrew Stobart – OfS accountable officer



CLIFF COLLEGE

CONSOLIDATED STATEMENT OF CASH FLOWS YEAR ENDED 31 AUGUST 2023

	Notes	2023 £	2022 £
Cash flow from operating activities	20	(605,659)	(424,260)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(93,737)	(49,287)
Receipts from sale of investments		-	441,485
Receipts from sale of investment property		775,000	-
Interest received		14,253	6,838
Interest paid		(5,924)	(5,475)
Net cash flow from investing activities		<u>689,592</u>	<u>393,561</u>
Cash flow from financing activities			
Bank loan repayments		<u>(28,000)</u>	<u>(28,000)</u>
Net cash flow from financing activities		<u>(28,000)</u>	<u>(28,000)</u>
Net Increase/(decrease) in cash and cash equivalents		55,933	(58,699)
Cash and cash equivalents at beginning of year		<u>196,035</u>	<u>254,734</u>
Cash and cash equivalents at end of year		<u>251,968</u>	<u>196,035</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity 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.

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

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 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	20% 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 2023

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 2023

2 Donations and legacies

	Unrestricted Fund £	Group and Charity Restricted Fund £	Total 2023 £	Total 2022 £
Donations and gifts	101,209	-	101,209	60,182
Legacies receivable	168,069	-	168,069	162,303
DMLN grant from the Methodist Church	428,297	-	428,297	425,096
Global Partnership income	-	100,000	100,000	126,129
TheologyX income	27,000	-	27,000	-
Other grants	26,076	-	26,076	32,996
	<u>750,651</u>	<u>100,000</u>	<u>850,651</u>	<u>806,706</u>
For the year ended 31 August 2022	<u>680,577</u>	<u>126,129</u>		<u>806,706</u>

	2023 £	2022 £
Legacies receivable		
Unrestricted funds		
M Woodlock-Smith	150,000	-
M Smith-Croucher	12,000	-
G Ware	8,205	-
A Jackson	1,000	-
A Moden	538	-
S Britton	(3,674)	90,000
A Wheeler	-	20
P Stephens	-	72,283
	<u>168,069</u>	<u>162,303</u>

3 Charitable activities

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Student fees	426,101	638,308	426,101	638,308
Festival Income	49,331	68,183	49,331	68,183
	<u>475,432</u>	<u>706,491</u>	<u>475,432</u>	<u>706,491</u>

4 Other trading activities

	Group 2023 £	2022 £	Charity 2023 £	2022 £
Trading income	<u>307,703</u>	<u>332,062</u>	<u>865</u>	<u>2,010</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

5 Investment income

	Group and Charity	
	Unrestricted 2023 £	Unrestricted 2022 £
Central Finance Board Funds	14,253	6,838
Other investment income	-	-
	<u>14,253</u>	<u>6,838</u>

6 Other income

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Rental Income	108,059	201,337	198,059	169,749
Other income	<u>63,151</u>	<u>4,000</u>	<u>73,151</u>	<u>125,588</u>
	<u>171,210</u>	<u>205,337</u>	<u>271,210</u>	<u>295,337</u>

7 Charitable expenditure

	Group and Charity				
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Staff costs	822,303	-	-	822,303	821,404
Methodist Church stipends	156,559	-	-	156,559	173,621
Student course costs	153,416	10,060	-	163,476	192,171
Festival costs	145,785	-	-	145,785	101,917
Global Partnership costs	-	34,964	-	34,964	66,733
Theology X Platform costs	52,842	-	-	52,842	40,120
Other	-	-	-	-	94,942
	<u>1,330,905</u>	<u>45,024</u>	<u>-</u>	<u>1,375,929</u>	<u>1,490,908</u>
Share of support costs (see note 8)	823,524	-	-	823,524	647,311
	<u>2,154,429</u>	<u>45,024</u>	<u>-</u>	<u>2,199,453</u>	<u>2,138,219</u>
For the year ended 31 August 2022	<u>1,871,314</u>	<u>266,905</u>	<u>-</u>		<u>2,138,219</u>

In accordance with the Access and Participation Plan, the College has spent £41,000 (2022: £54,000) on Access Investment; £5,000 (2022: £5,000) on Financial Support Investment; £10,000 (2022: £nil) on Support for Disabled Students; and £2,000 (2022: £2,000) on Research and Evaluation Investment.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

8 Allocation of support costs

	Group and Charity		
	Charitable	Other	Total
	£	£	£
2023			
Governance	49,732	8,776	58,508
Finance	53,290	9,404	62,694
IT	101,312	17,879	119,191
Property costs	130,228	22,981	153,209
Depreciation	74,162	13,087	87,249
Office costs	110,389	19,481	129,870
Irrecoverable VAT	74,228	13,100	87,328
Other	230,183	40,620	270,803
	<u>823,524</u>	<u>145,328</u>	<u>968,852</u>
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>

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

Governance costs includes audit and accountancy fees for the year of £14,900 (2022: £13,925).

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 Senior Strategy Group which comprise the Principal, the Vice Principal Academic, the Vice Principal Mission and the Chief Operating Officer. The total amount of benefits received by key management personnel is £214,130 (2022: Senior Management Group £230,689).

Other than the Principal who is part of the Senior Strategy Group, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year six (2022: six) members of the Cliff College Committee were reimbursed a total of £1,244 (2022: £828) relating to travel expenses.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

10 Employees - Group

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2023	2023	2022	2022
	Number	FTE	Number	FTE
Academic	12	10	15	13
Non Academic	31	24	28	19
	<u>43</u>	<u>34</u>	<u>43</u>	<u>32</u>

	Group	
Employment costs	2023	2022
	£	£
Wages and salaries	1,086,388	1,092,814
Social security costs	100,832	105,359
Other pension costs	<u>66,533</u>	<u>62,254</u>
Total staff costs	<u>1,253,753</u>	<u>1,260,427</u>

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

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

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 2022	4,310,000	6,516,000	379,493	485,886	19,700	11,711,079
Additions	-	-	70,532	9,210	13,995	93,737
Disposals	(775,000)	-	-	-	-	(775,000)
Revaluation	170,000	-	-	-	-	170,000
At 31 August 2023	3,705,000	6,516,000	450,025	495,096	33,695	11,199,816
Depreciation						
At 1 September 2022	-	46,190	351,786	455,137	12,044	865,157
Charge for the year	-	46,190	24,610	11,309	5,139	87,248
At 31 August 2023	-	92,380	376,396	466,446	17,183	952,405
Net book value						
At 31 August 2023	3,705,000	6,423,620	73,629	28,650	16,512	10,247,411
At 31 August 2022	4,310,000	6,469,810	27,707	30,749	7,656	10,845,922

Investment Properties included at valuation had a historical cost of £1,279,656 (2022: £1,778,218) with accumulated depreciation of £65,493. (2022: £80,973). Land and buildings included at valuation had a historical cost of £7,002,187 (2022: £7,002,187) with accumulated depreciation of £1,358,818 (2022: £1,312,628).

Freehold land and buildings were subject to independent professional valuation at 31 August 2022.

Investment Properties were subject to independent professional valuations at 31 August 2023. The valuations were undertaken by Riddle & Co based on market value.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

12 Fixed asset investments

Group and Charity

	CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
Market value at 1 September 2022	15,405	447	15,852
Change in value in the year	(993)	(2)	(995)
Transfer	418	(418)	-
Market value at 31 August 2023	14,830	27	14,857

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).

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
13 Debtors				
Trade debtors	177,501	111,480	92,313	46,456
Amounts owed by group undertakings	-	-	73,041	129,527
Other debtors	23,622	174,929	23,622	174,929
Prepayments and accrued income	71,831	46,082	71,831	46,082
	272,954	332,491	260,807	396,994

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
14 Creditors: amounts falling due within one year				
Trade creditors	261,926	116,991	248,137	114,151
Tax and social security costs	44,089	39,307	22,667	26,097
Other creditors	18,178	9,193	18,178	9,193
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	44,085	41,524	37,615	39,774
	396,278	235,015	354,597	217,215

	2023 £	2022 £	2023 £	2022 £
15 Creditors: amounts falling due after more than one year				
Bank Loan	112,000	140,000	112,000	140,000

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

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 2023 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2023	2022
	%	%
Discount rate	5.2	3.9
RPI inflation rate	3.4	3.5
CPI inflation rate	2.8	3.0
Rate of increase in pensionable earnings	2.8	3.0
Rate of increase in pension payments	2.2/3.3/5.0	2.3/3.4/5.0

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 2023	31 August 2022
	%	%
Equities	-	12
Corporate bonds	46	37
Property	-	10
Cash	19	16
Liability driven investment	31	20
Annuities	4	5

The following amounts at 31 August 2023 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	57.2
Present value of scheme liabilities	53.2
Net overfunding in Scheme	4.0
Unrecognised assets	(4.0)
Net Defined Benefit Asset	0.0

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

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 2022 was carried out by the Scheme Actuary. This showed that the past service deficit had reduced from £16.7m to £1.1m.

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 £66,533 (2022: £62,254).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

17 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2023 £
General	8,979	-	-	-	(381)	8,598
Student prizes	6,873	-	-	-	(614)	6,259
	<u>15,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(995)</u>	<u>14,857</u>

	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>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

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 2022	Income	Expenditure	Transfers	Balance 31 August 2023
	£	£	£	£	£
Global Partnership	81,861	100,000	(34,964)	(27,505)	119,392
Bursary Fund	25,790	-	(10,060)	-	15,730
Welfare Fund	27,845	-	-	-	27,845
Other	21,798	-	-	-	21,798
	<u>157,294</u>	<u>100,000</u>	<u>(45,024)</u>	<u>(27,505)</u>	<u>184,765</u>

	Balance at 1 September 2021	Income	Expenditure	Transfers	Balance at 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 Fund support	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
	<u>390,350</u>	<u>126,129</u>	<u>(266,905)</u>	<u>(92,280)</u>	<u>157,294</u>

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.

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

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

2023				
	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Charity				
Tangible fixed assets	10,247,411	-	-	10,247,411
Investments	-	-	14,857	14,857
Net current assets	(42,155)	184,765	-	142,610
Creditor greater than one year	(112,000)	-	-	(112,000)
	<u>10,093,256</u>	<u>184,765</u>	<u>14,857</u>	<u>10,292,878</u>
Cliff College Outreach Ltd				
Net current assets	(13,966)	-	-	(13,966)
Group	<u>10,079,290</u>	<u>184,765</u>	<u>14,857</u>	<u>10,278,912</u>
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>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

	Group	
	2023 £	2022 £
20 Reconciliation of net (expenditure) to net cash flow from operating activities		
Net (expenditure) for the year	(906,373)	(716,875)
Interest receivable	(14,253)	(6,838)
Interest payable	5,924	5,475
Losses on investments	995	37,065
Depreciation on tangible fixed assets	87,248	91,299
Decrease in debtors	59,537	235,491
Increase/(Decrease) Increase in creditors	161,263	(69,877)
Net cash flow from operating activities	(605,659)	(424,260)
21 Operating lease commitments		
At 31 August 2023 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.		
	Group	
	2023 £	2022 £
Within one year	3,853	267
Within two to five years	7,385	-
Total	11,238	267
22 Grant and Fee Income		
	Group	
	2023 £	2022 £
Grant Income from the OfS	16,346	34,531
Grant income from other bodies	10,000	-
Fee income for taught awards	322,117	515,250
Fee income for research awards	43,800	38,400
Fee income from non-qualifying courses	60,184	84,658
	452,447	672,839

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

	Group	
23 Head of Provider Remuneration	2023 £	2022 £
Principal		
Stipend cost	45,402	43,393
Pension	7,243	6,947
Other taxable benefits	-	-

This remuneration package is in line with others in the theological college sector, and is in line with value and performance delivered. Performance is reviewed by the Board of Governors. As the Principal is an ordained minister in the Methodist Church in Britain, the remuneration is set by the stipend level of the Methodist Church in Britain.

The head of provider's basic salary and remuneration are 1.3 times the median pay and remuneration of staff respectively, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

24 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 2023 and results for the year then ended are as follows:

	Cliff College Outreach Ltd £
Turnover	306,838
Cost of sales	89,130
Gross profit	217,708
Administrative expenses	192,349
Profit for the year	25,359
Debtors	80,718
Cash at bank and in hand	15,568
	96,286
Creditors	110,252
Net liabilities	13,966