



WESLEY HOUSE, CAMBRIDGE
REPORT AND FINANCIAL STATEMENTS
31 AUGUST 2021

Registered Charity Number: 1158440

Company registration Number: 09147032

WESLEY HOUSE, CAMBRIDGE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2021

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Legal and administrative details

Registered charity name	Wesley House, Cambridge
Registered charity number	1158440
Registered company number	9147032
Principal office and registered office	Wesley House, Jesus Lane, Cambridge, CB5 8BJ

Trustees / directors of Wesley House, Cambridge

	Appointed	Term ends	
Janet Arthur	12/11/2019	31/08/2026	Chair of Finance and General Purposes Committee
Dr Roger Paul Ashley	24/07/2014	31/08/2024	
The Revd Stephen Burgess	16/11/2016	31/08/2023	Chair of Trustees
The Revd Catherine Dixon	25/02/2015	31/08/2025	
Christine Elliott	12/11/2019	31/08/2026	
Bala Gnanapragasam	12/11/2019	31/08/2026	
The Revd Dr Stuart Jordan	24/07/2014	31/08/2023	
Elizabeth Ovey	24/07/2014	31/08/2024	Chair of Development Committee
David Peniket	12/11/2019	31/08/2026	
Professor Nigel Poole	17/02/2021	31/08/2027	Chair of Academic Committee
The Revd Julian Pursehouse	10/06/2015	31/08/2025	
David Scahill	01/09/2017	31/08/2023	
The Revd Colin Smith	16/11/2016	31/08/2023	

Auditors:

Chater Allan LLP, Chartered Accountants and statutory auditors,
 Beech House, 4a Newmarket Road, Cambridge CB5 8DT

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The Board of Trustees presents its annual report and the audited financial statements for the year ended 31 August 2021.

Structure, governance and management

Governance

Wesley House, Cambridge is governed by its Articles of Association adopted on 24th July 2014.

Constitution, governance and management structures

Wesley House, Cambridge is constituted as a private company limited by guarantee. It is registered at Companies House in England and Wales as company 9147032. The Trustees are the directors of the company and are also its members. The liability of Members is limited to £1.

The Company is required to have between nine and fifteen members, 75% of whom must be members of the Methodist Church in Britain.

The Trustees are required to hold at least three meetings each year, at which one third of the total number of Trustees must be present to be quorate. Decisions at trustee meetings are made by simple majority votes.

Trustees have utilised their ability to delegate powers to committees of two or more Trustees (one of whom shall chair the committee) and there are currently three such committees in place; Academic, Development, and Finance & General Purposes. The Library committee and Holiness Editorial Board which report to the Academic committee are advisory bodies and neither has delegated powers. The committees also include Wesley House employees and co-opted volunteers with relevant expertise.

The day to day management of the College is delegated to the Principal.

Methods used to recruit and appoint new Trustees

The process for appointing new Trustees is set out in the Articles of Association as follows:

15.1. By no later than 30 September in each calendar year, the Trustees shall provide notification in Writing to the [Methodist] Council of any vacancy in the Trustee body which is due to arise on 1 September next or in the twelve months following.

15.2. The Council may, by no later than 31 January in the following year, provide the Trustees with a list of proposed nominees for appointment as Trustees (with no more than one nomination per vacancy).

15.3. By no later than 31 March in that year, the Trustees shall provide the Council with a final list of nominations, consisting of any list provided to the Trustees in accordance with Article 15.2 above with such omissions and replacement or additional candidates as the Trustees may have determined.

15.4. The Council or, if the Council declines or omits to do so, the Trustees shall seek the approval of the Methodist Conference, at its next session, to the nomination of the candidates determined between the Trustees and the Council in accordance with Articles 15.2 and 15.3 above.

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15.5. If the nominations are approved by the Methodist Conference, the Trustees shall resolve whether or not to appoint the candidates so nominated to hold office from 1 September following, or from the date thereafter on which the vacancy will arise (as the case may require).

15.6. The Trustees shall have power to co-opt any person to be appointed as a Trustee at any time to fill a vacancy in the Trustee body, save that any person co-opted as a Trustee in accordance with this Article shall automatically be presented as a nominee for ratification by the Methodist Conference at its next session, in accordance with Article 15.4. If so ratified, their term of office shall then be deemed to have commenced on the following 1 September after the date on which the Methodist Conference has met.

Training for Trustees

Training is offered to new Trustees in the form of a personal induction by the Chair of the Trustees.

Trustees are given a copy of our Governance Manual, updated annually, which provides information including the Governance Code of Conduct, committee structures and terms of reference.

Trustee changes

During the year we were pleased to welcome Professor Nigel Poole as a Trustee / Director. We were pleased that The Revd Catherine Dixon and The Revd Julian Pursehouse agreed to their appointments being extended for a further four years.

Staff changes

The following staff appointments were made in the year:

The Revd William Mullally	Director of Supervision	1 Sept 2020
Dr Richard Davis	Director of Contextual Theology	1 Sept 2020
The Revd Dr Paul Chilcote	Interim Director of Global Wesleyan Theology	1 Jan 2021
Dr Helen Cameron	Interim Director of Doctoral Pathways	1 Jan 2021
Daniel Stow	Academic Administrator	6 April 2021
The Revd Dr Adam Ployd	Vice Principal	23 August 2021

The Revd Dr Carole Irwin left Wesley House on 31st August 2021. The Trustees wish to record their thanks to Carole for her pivotal role in the reopening of the College as the first new students arrived in 2015 and all she has done for the College, its students, staff and residents, as a Tutor and then Director of Studies.

Arrangements for setting pay and remuneration of key management personnel

The Principal's pay during 2020/21 was set at the rate for presbyters of the Methodist Church in Britain, including a College Principal's allowance and the provision of free accommodation. From September 2021 the Principal's status changed to become an employee of Wesley House at which point the stipend was converted into a salary, but still in line with the rate for a Methodist College Principal who is a Methodist minister.

The Business Director's remuneration was set by the Finance and General Purposes Committee at the time of recruitment at a rate that was considered necessary and sufficient to attract an individual with the skills and experience required. It increases annually by the same percentage as applied to the Principal's pay.

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Wider networks: Cambridge Theological Federation

Wesley House is a founding member of The Cambridge Theological Federation (charity number 1099953; company registration number 4700056). Wesley House's students are admitted to accredited programmes managed by the Federation and taught by members of staff from the Federation's twelve partner bodies. The Federation's admissions policies govern the courses Wesley House can offer to students and acceptance onto those programmes. The Federation is responsible for the quality of teaching and monitoring and reporting to the various government bodies, such as the Office for Students. The Federation is licensed to sponsor student visas for international students.

In addition to academic policies, the Federation has a number of policies that impact on Wesley House such as IT and Safeguarding policies.

Wider networks: Methodist Church

Whilst Wesley House does not have a formal relationship with the Methodist Church in Britain ("MCB"), other than MCB's role in appointing Trustees, the Principal is a presbyter in the British Methodist connexion and so bound by its policies and procedures. The Principal and a number of Trustees play an active part in the governance of MCB.

In May 2021 MCB and Wesley House agreed a Memorandum of Understanding which affirms a number of areas of mutual interest and engagement including Shared Methodist Identity, Ministerial Appointments, Supervision Training and Resourcing, the Holiness Journal and Continuing Development in Ministry.

On 1st September 2020 the status of the three Presbyter members of staff, the Principal, Director of Research and Director of Studies, changed. They ceased to be employees of Wesley House and became under the control of the Methodist Conference and were 'stationed' at Wesley House. This position was reversed on 1st September 2021 and all staff are now employees, including those who are ministers. From 1st September 2021 Wesley House staff are no longer eligible for membership of the Methodist Ministers Pension Scheme.

During part of the 2020/21 year the Principal was released for part of her time to work for MCB as the Connexional Director of Supervision, for which Wesley House was recompensed.

Wider networks: GBHEM

In August 2018 Wesley House signed a partnership agreement with the General Board of Higher Education and Ministry of the United Methodist Church, USA ("GBHEM"). This agreement establishes a Global Hub for Leadership, Education and Development in Britain, based at Wesley House. The Hub offers training and sabbatical opportunities to theological institutions affiliated with the Association of United Methodist Theological Schools and provides sabbatical opportunities to UMC Clergy, District Superintendents and Bishops. Along with other Hub members the College is a member of the International Association of Methodist Schools, Colleges and Universities (IAMSCU) and Methodist Theological Schools in Europe (MTSE).

Relationships between the charity and related parties

In addition to the relationship with the Cambridge Theological Federation as described above, Wesley House has a relationship with a third party which is a charity named, "Wesley House, Cambridge" (registered charity 311446). The latter has four Trustees, all of whom are also Trustees

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of the Wesley House that is the subject of this report. Charity 311446 has not been actively operating since the incorporation of this company when the assets were transferred to Wesley House in an Asset Transfer deed dated 1 March 2015 and is now dormant.

Objectives and activities

Our Purposes

The objects of the Charity are set out in the Articles of Association adopted on 24th July 2014 as follows:

4.1. The objects of the Company are to establish and maintain a college, hostel or institution within the precincts of the University of Cambridge for the training in theology and formation for ministries in a Wesleyan tradition of:

4.1.1. accepted candidates for the ministry and ordained ministers of the Methodist Church worldwide, and

4.1.2. lay members of the Methodist Church worldwide

by providing or arranging for the provision of their tuition, academic supervision and mentoring and the provision of residential facilities in connection with such tuition, supervision and mentoring, subject to the requirements set out at Article 4.2 below.

4.2. The Company shall function as a post-graduate college enabling students to have access, as appropriate, to the benefits of University life and tuition, and applicants shall normally be required to hold an undergraduate degree (or equivalent) prior to being granted access to residence and/or tuition in the college, save that the Trustees shall have discretion to permit access to such number and proportion of students who do not already hold an undergraduate degree as they see fit.

Our vision is to be a globally significant resource for leadership and scholarship in the Wesleyan tradition for the sake of the flourishing of the church and the world.

In a polarising political, social and economic climate we believe that the Wesleyan tradition has wisdom to share through its holding together in creative tension of many seeming opposites, such as love of God *and* neighbour, prayer *and* scholarship, science *and* faith, the local *and* the global. In response to God's reconciling work Wesley House is committed to bringing people into conversation and into community with each other and with God, for the sake of the flourishing of the whole earth.

Our mission as a higher educational institution is to

1. Curate learning communities that pray, confer, research, learn and share their work and life as part of the body of Christ.
2. Build global capacity for resourcing leadership and scholarship through partnership working.
3. Create and disseminate research in the areas of Global Wesleyan Theology, Leadership and Ministry Development, and Faith in Public Life and offer teaching and other educational opportunities shaped by that research.

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How the achievement of our aims will further our legal purposes

Our aims, as set out in our vision and mission, are directly related to furthering our purposes.

Curating learning communities that confer, research, learn and share their work relates to the object, "training in theology and formation for ministries". It also relates to "provision of tuition, academic supervision and mentoring".

Curating learning communities that pray...share their work and life relates to maintaining "a college, hostel or institution within the precincts of the University of Cambridge" and "the provision of residential facilities".

Building global capacity for resourcing leadership and scholarship relates to "training in theology and formation for ministries".

Creating and disseminating research and offering teaching shaped by that research relates to "training in theology and formation for ministries" and to "provision of tuition, academic supervision and mentoring".

Strategies for achieving our stated aim

The main operating strategy to achieve our aim is to offer a range of accredited & non-accredited, full-time and part-time, residential & non-residential courses that attract sufficient numbers of students to build a self-sustaining business plan.

Essential to our ability to meet our objects is a strategic role within the Cambridge Theological Federation (the "Federation"). Through our membership of the Federation we are able to offer degree programmes validated by Anglia Ruskin, Cambridge and Durham universities and have access to a wide network of tutors and supervisors with a broader range of interests and expertise than we could manage by ourselves. Membership also provides access to Federation and University libraries.

Wesley House's work is organised into three centres of activity, Global Wesleyan Theology; Leadership and Ministry Development; and Faith in Public Life.

The **Centre for Global Wesleyan Theology**, under the Directorship of The Revd Dr Paul Chilcote, supports scholarship and practice related to theology and spirituality in the global Wesleyan tradition, curating a network of global scholars for enrichment in both theological and spiritual engagement and fostering partnerships that develop capacity and effectiveness. It does this by providing opportunities for formal study and research, by offering webinars and workshops, and by engaging in conversation among diverse communities both locally and globally.

The Centre seeks to cultivate a spirit of genuine mutuality and to provide a venue for ongoing conversation, learning, and growth around theological concerns central to the Wesleyan community around the globe. Located physically in Cambridge and virtually through its international network of scholars, the Centre promotes the integration of Wesleyan theology and daily life in the diverse cultural contexts of the world.

The **Centre for Leadership and Ministry Development**, under the Directorship of The Revd Dr Adam Ployd, pursues scholarship and educational activities that investigate and cultivate new models of ecclesial leadership and ministry in a global context.

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It aims, in partnership where possible, to develop excellence in leadership, ministry and supervision practice through:

- a) research, publication and consultancy for policy development and implementation
- b) academic teaching and professional standard training
- c) the development and delivery of relevant patterns of initial and continuing ministerial development and support for identified communities of practice.

The Centre also hosts our work as a world centre of excellence for research, consultancy and training in Pastoral and Reflective Supervision, under the Directorship of The Revd Bill Mullally.

The **Centre for Faith in Public Life**, under the Directorship of Dr Richard A. Davis, supports and promotes the active, informed, and constructive engagement of Christians and churches in public life for furthering 'the welfare of the city', peace, justice, freedom, equality, and the common good. It does this through study, research, publishing, and conversations in the area of faith and public life.

The Centre provides a hub for public theology and Christian social ethical thought within Wesleyan traditions. The Centre aims to promote the public ministry and mission of churches and the public witness of Christians in their daily lives.

Informed by Wesleyan tradition, and inclusively ecumenical in spirit, the Centre offers theological resources and research into contemporary issues facing humanity.

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Activities in the period

Students

- 141 people were taught through Wesley House in the 2020/21 year
- 71 students from 17 different countries were on formally accredited courses
- 51 people were trained in Pastoral/Reflective Supervision
- 17 people took informal courses
- 2 sabbatical visitors undertook research here.

41% of our students were from Africa, 35% from the UK, 14% from North America and 10% from Asia and Continental Europe. The average age of our students was 50.

Five of our students were part of the residential community in Cambridge; two PhD students, both from Kenya, and three students preparing to be Mission Partners of the British Methodist Church, one of whom also took an MA.

In 2020/21, 49 Wesley House students were on the following courses delivered by the Cambridge Theological Federation.

With Anglia Ruskin University:

- 3 x PhD (full time)
- 21 x PhD (part time)
- 2 x MPhil (part time)
- 8 x DProf (part time)
- 11 x MA (part time)
- 1 x Postgraduate Diploma (part time)
- 1 x Postgraduate Certificate (part time)

With Durham University:

- 1 x MA (distance)
- 1 x PG Dip (part time)

There were no DTM students this year. Those who had planned to come were prevented from travelling by Covid restrictions.

In addition:

- 12 students started a Postgraduate Diploma in Church Leadership and Ministerial Formation which we are co-teaching at Kenya Methodist University.
- 8 Doctor of Ministry students (validated by Wesley Theological Seminary, Washington, USA) had their classes delivered online because of Covid instead of attending Wesley House.

Two of the students on Federation courses received financial support from the Wesley House bursary fund, both of whom also received funding from the Methodist Church in Britain's Scholarship and Leadership Training Programme (SALT). In total, Wesley House funded £22,000 of bursaries in the year. Wesley House sponsored the fees for a further ten students, as part of our funded programme with students from Africa University.

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In addition to supervising doctoral students during the year Wesley House academic staff taught on the following validated degree courses:

- Master of Arts (validated by Anglia Ruskin University)
- The taught stage of the Professional Doctorate (validated by Anglia Ruskin University)
- Bachelor of Theology and Ministry and Diploma in Theology for Ministry (validated by the University of Cambridge)
- Postgraduate Certificate in Theological and Religious Research (validated by Africa University)
- Postgraduate Diploma in Church Leadership and Ministerial Formation (validated by Kenya Methodist University)

COVID-19

Along with the rest of the country, Wesley House entered a period of lockdown on 23rd March 2020. The College remained closed to visitors until restrictions began to be eased in September 2021 but we maintained a residential community of students, staff and other residents at all times with support staff in attendance for some of the time following Covid-secure working practices. The Chapel was closed for public worship and so our residents were able to continue to worship together as household groups. All teaching and most supervising was delivered remotely during the year, though this is not entirely a consequence of Covid as the majority of students are distance learners.

The main financial impacts of Covid in the year were a result of having no new residential students join us and of not being able to hire out rooms for meetings and events. Accommodation usage remained high throughout the year, helped by Jesus College renting a number of rooms for their postgraduate students.

31 & 32 Jesus Lane

During the year we completed the refurbishment of the two Georgian houses at 31 and 32 Jesus Lane. The project started on 9th March 2020 and was suspended by the first lockdown on 23rd March. The site was reopened on 11th May 2020 and the practical completion was achieved on 22nd February 2021 with the project completing on budget at c. £970,000. There was some delay, mostly caused by lockdown but also by delays in supply chains resulting from Covid and Brexit and some engineering complications relating to providing access to the top floor of 31 Jesus Lane from the Gutteridge Building.

The refurbishment completes the refurbishment and new-build project covering the entire Wesley House premises. This phase gives offices for the Institute for Orthodox Christian Studies in 31 Jesus Lane, three flats in 32 Jesus Lane, three meeting/training rooms, a staff office and a student common room.

We are very grateful for the grants we received to support this project from the Maurice and Hilda Laing Trust, the Inlight Trust, the Hunter Rowe Trust, and the Methodist Insurance Fund.

Holiness journal

In May 2021 we published our first issue of our free online journal, Holiness, with our new publishing partner, Sciendo. *Holiness* can be found at: <https://sciendo.com/journal/holiness>.

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Main activities undertaken to further the charity's purposes for the public benefit

We believe that Wesley House meets the public benefit requirement in the following ways:

- by the provision of regular communal acts of worship to encourage and facilitate the practice of the Christian religion particularly for those studying, living and working in the College
- by working together with the other theological colleges in the Cambridge Theological Federation in order to raise awareness of religious beliefs and practices in other traditions
- by providing education in accordance with the principles and practices of the Christian religion in close partnership with the Cambridge Theological Federation and specifically in nurturing within the wider Church 'those doctrines of experimental religion and especially spiritual holiness upon which John Wesley laid emphasis'
- by providing opportunities for continuing theological education for ministers and lay people throughout the British Methodist connexion and overseas, through both formal educational programmes and intensive courses making the best of the academic resources available in Cambridge.

Statement

The Trustees have reviewed Wesley House's activities during this period in line with the Charity Commission guidance on public interest benefit.

The criteria or measures used to assess success in the reporting period

The measure of success are as described in the Achievements and Performance section below.

Social investment policy

No social investments were made during this year.

Grant-making

Wesley House does not make any grants to third parties. Some bursary and scholarship funding is available for Wesley House students.

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Volunteers

We are kindly supported by volunteers on our committees (Academic, Development, Finance & General Purposes) and the Editorial Board of *Holiness* who provide expertise in these areas.

The Trustees are grateful for the continuing support and expertise of The Revd Dr Brian Beck in his role as the College's Archivist.

The Trustees wish to record their thanks to Sarah Creeke who stood down as our volunteer Lay Chaplain at the end of the year.

Ahead of lockdown many people supported our community life and worship by freely preaching at services and leading evening discussion groups. Others have led and contributed to our seminars online. Whilst not a large time commitment individually, together these offer our students and community a broad and deep range of experience and viewpoints.

The Trustees are grateful to those in the Cambridge Circuit of the Methodist Church, and the wider East Anglia District, who support our students with placements and opportunities to serve within their churches and gain experience. We are particularly grateful to the teams at the churches in Cambridge, Wesley Methodist Church and Castle Street Methodist Church.

Finally, the Trustees themselves are volunteers and have given their time freely throughout the year.

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Strategic report

The following sections for achievements and performance, financial review and plans for future periods form the strategic report of the Charity.

Achievements and performance

Our main achievements

The significant activities undertaken in the year and our main achievements are as described in the "activities in the period" section above.

Achievements against objectives set

The following achievements report against annual targets agreed by the Trustees for 2020/21 in the context of a five year Strategic Plan from 2018 to 2023.

Building a residential community of students and sabbatical visitors

In 2020/21 there were:

- two residential research students for the whole year and one for part of the year.
- one residential MA student, in training as a Mission Partner, and two other Mission Partners.
- no DTM students
- four residential staff and their families
- one sabbatical visitor.

Teaching international cohorts

In 2020/21:

- there were 26 non-residential postgraduate research students, ten of whom are part of the Africa University programme
- there were 11 distance learning MA students
- Plans for two future DMin programmes were agreed with Wesley Theological Seminary, Washington DC, USA.

Offering short and online courses

In 2020/21 we

- Created a short online course "Living the Wesleyan Way" for delivery in September 2021 to 23 participants
- Delivered a short online course, "Lifted", in February with 17 participants
- Ran Certificate and Diploma courses in Pastoral Supervision online for 51 participants
- Created bespoke Supervision courses for the Salvation Army and United Reformed Church.

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Developing the three centres as a focus and feed for research and study

In 2020/21:

- We hosted a monthly World Parish Webinar which gathers together a wide range of Methodist scholars from across the globe for scholarly engagement including presentations from Mozambique, New Zealand, South Africa, the United States and the United Kingdom
- Directors were appointed for each Centre
- Reference groups were reviewed and appointments made.

Participate proactively in local, global and ecumenical academic and educational relationships

In 2020/21:

- The Principal participated in GBHEM's network of LEaD Hubs
- We taught students from Africa University, ten of whom were admitted to PhD and MPhil programmes at Anglia Ruskin University
- We participated in the teaching and running of the Cambridge Theological Federation
- We launched a post graduate Diploma in Church Leadership and Ministerial Formation with Kenya Methodist University and participated in the launch of their Wesleyan Institute
- We continued to work with MCB to support Pastoral Supervision.

Publishing Holiness

- In 2020/21 we published Volume 6 issue 1 of Holiness.

Lucy Rogers bequest

The Trustees of Wesley House were delighted to be approached in the year by the executors of Mrs Lucy Rogers who bequeathed a portion of the residue of her estate, totalling £411,400, to create The Reverend Edward Rogers Scholarship in Christian Social Ethics in memory of her husband. Edward Rogers was President of the British Methodist Conference in 1960 and was General Secretary of the Citizenship Department of the British Methodist Church (now part of the Joint Public Issues Team) from 1954-1975. He authored many ecumenical and church reports and gave many public lectures on such subjects as the nature of security, poverty and Christian responsibility. The legacy will enable the Trustees to endow public lectures and student scholarships in the field of Christian social ethics.

Performance of material fundraising activities against the fundraising objectives set

Our objective was to raise £58,000 of donations, £70,000 towards the Centenary appeal and £67,000 for capital works in the year. We raised £109,000 from donors and £17,000 of grants. Recruitment of members of the Wesley House Foundation in the US was deferred because of Covid and is now expected to take place in 2022.

During the year we set up a separate website to support our fundraising which is at www.supportwesley.com.

Investment performance against the investment objectives

Wesley House holds no investments. All funds are held in instant access bank accounts.

Material expenditure incurred to raise income in the future

We spent a total of £5,000 to support fundraising in the year.

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Significant positive and negative factors within and outside charity's control which have affected achievement of objectives

The COVID-19 lockdowns were the main factor in the year that affected achievement of objectives. The College was able to continue to meet all its academic commitments, maintain a residential community, and deliver its non-validated courses online.

Effects of Covid on our objectives included:

- We were unable to recruit any full time taught students for 2020/21.
- Two planned visits of Doctor of Ministry (DMin) students were postponed until 2021/22.
- We were unable to earn income from hiring rooms for meetings and events.
- Recruitment to the Wesley House Foundation was delayed.
- Trips to new and existing partners worldwide were cancelled.
- Teaching that was supposed to be delivered in Africa was delivered online instead.
- The refurbishment of 31 and 32 Jesus Lane was delayed, during which time new staff had to live in temporary accommodation elsewhere on site.
- Supervision courses were held online, losing us income from the use of accommodation.
- The Centenary celebrations were moved to start in July 2021 instead of January 2021.

On the positive side, we were able to lease a number of student rooms to Jesus College which enabled us to maintain our normal occupancy rates throughout the year. There were also savings in travel costs and catering.

We were able to apply to HMRC for a temporary alteration to our partial exemption method for calculating how much VAT we can reclaim under a scheme set up to support "businesses whose trading activities have been affected by coronavirus as a result of which their existing partial exemption method does not provide a fair and reasonable result." (Revenue and Customs Brief 4, March 2021). Our VAT advisers, PEM, gained agreement from HMRC that we could use our 2018/19 recovery rate for 2019/20 and 2020/21. This led to a refund of £16,500 from VAT paid in 2019/20, a refund of £27,700 of the 2019/20 capital good scheme payment and a reduction of £27,200 for the VAT due in 2020/21. These adjustments were made in the August 2021 VAT return.

We did not make use of the government's Covid furlough scheme in 2020/21.

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Financial review

Review of financial position

2020/21 ended with a surplus of £312,629 but behind this are two significant events. The first is one-off income of £411,379 which is the result of a generous legacy from Mrs Lucy Rogers to fund a scholarship in her husband's memory and the other was expenditure of £548,980 to complete the refurbishment of 31 and 32 Jesus Lane of which £239,759 was funded from previous grants. The refurbishment finished in February 2021 and completes the project of refurbishment and new building that followed the sale and leaseback of the premises in 2014. Details of the financial effect of COVID 19 in 2020/21 are detailed throughout this report.

Principal funding sources in the year

During the year our income came from the following sources:

- Academic Fees which comprise our share of the course fees from our students
- Accommodation
- Donations (with gift aid where appropriate)
- GBHEM and Central Conferences Theological Education Fund of the United Methodist Church funding for the Africa University project
- Our role as a LeAD Hub for GBHEM
- Reflective Supervision consultancy for GBHEM
- Short courses, including in Supervision
- World Church Relations office of the British Methodist Church for the Kenya Methodist University project.

Because of Covid restriction there was no Conferencing and events income in the year.

Donations policy

Donations are managed in accordance with the donations policy and bursary fund policy agreed on 7th February 2018, as detailed below:

- Unless a donor specifies that their donation is for the bursary fund or another specific use, donations will be held as unrestricted funds.
- Money given for specific causes (e.g. the Library fund) is paid into restricted funds and used to offset actual costs incurred.
- Money given by individuals specifically for an endowment fund will be ring-fenced for that purpose.

Bursary fund policy

The Wesley House Bursary Fund exists to support the scholarship of Methodist students in need of financial assistance, support a viable residential community in Cambridge, and support the academic and community life of the college.

There are three uses of this fund:

1. To support non-resident students on the basis of need and contribution to the college's life.

WESLEY HOUSE, CAMBRIDGE
 TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
 FOR THE YEAR ENDED 31 AUGUST 2021

Bursaries are given to non-resident students at the discretion of the Wesley House Academic Committee, normally up to a value of *£1500 per year*. Through our non-resident student bursaries, we seek to assist students financially where there is real need, and also to enhance the community and academic life of the College. It is our expectation that non-resident students in receipt of bursary assistance will actively contribute to the life and work of Wesley House as students, in their ministry, and through their academic work.

2. To attract and support residential research students to study in the areas of Global Wesleyan Theology, Leadership and Ministry Development and Faith in Public Life, or within the research specialisms of one of our first supervisors.

The college is committed to a global residential community of prayer and scholarship and uses its bursary funds to help attract and support research students who would value and add value to community life and who without significant financial assistance would not be able to access such an opportunity. Normally bursaries are offered on the basis of matched funding. Exceptionally, a full bursary may be offered (where it is judged that the applicant, through their proposed course of study, will make a particularly significant contribution to Wesley House's strategic objectives). Bursaries are offered initially on the basis of a fixed period of study that matches the intended duration of the course of study and will be subject to admission by the relevant university. Bursaries for resident students will normally be agreed to cover the expected duration of their course of study. Continued payment of a bursary will depend on satisfactory academic progression as determined by the validating university, and appropriate behaviour and community engagement as a residential student.

3. Scholarships of up to £2000 per year are available to resident students at the discretion of the Trustees in return for help supporting essential community functions such as Chapel, Library and Hospitality.

Any bursaries and scholarships awarded will be made to students of Wesley House and not to their dependents or families.

Reserves policy

The Trustees have decided that any funds which have not yet been committed or designated for any particular purpose will be held in its unrestricted funds so that they are available if the charity's expenditure exceeds its income over the forthcoming years whilst the new business plan is developed. The Trustees have established a policy whereby unrestricted funds held by the Charity should cover at least three months of support costs which for the year ended 31 August 2021 was £91,885. Unrestricted funds at year end were £10,796,431 of which £271,152 were free reserves. Total reserves including restricted funds are £11,405,871.

Going concern

The Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for at least twelve months from the date of this report.

The lease from Jesus College has a provision for determining the lease at Wesley House's instigation and an agreed compensation formula. This provides the Trustees with comfort that as a last resort there is a mechanism for releasing significant funds should they be needed.

WESLEY HOUSE, CAMBRIDGE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2021

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements.

Wesley House does not have any funds or subsidiaries that are in deficit.

Financial effect of significant events

The financial impact of Covid was a loss of about £50,000 in 2020/21.

Investment policy

In accordance with the Articles of Association, the Trustees have the power to invest in such stocks, shares, investments and property as they see fit. Wesley House does not have any funds invested.

Principal risks and uncertainties

During the year the Finance and General Purposes Committee and full body of Trustees have regularly reviewed and revised our risk registers, identifying as many of the significant risks to the charity as possible and strategies to manage those risks.

One of the highest risks in the year was infection from COVID-19 and of future lockdowns. We were fortunate that none of the students, staff or residents had Covid during the year. Plans to manage the risk for the community and as a workplace were implemented and revised as the situation changed and continues into 2021/22.

Medium level risks identified included not meeting fundraising targets, the effect of not having a sufficiently large bursary fund, staff retention, the viability of the Federation and its member organisations, the Federation's UKVI status, overspending on 31/32 Jesus Lane, cyber security, student recruitment, and the need to find successor projects to start when the African projects complete. The Trustees took action to address these and other risks throughout the year.

As part of risk management the Trustees continually considered the college's long term sustainability and scrutinised the business plan and the strategies in place to safeguard the company's future.

Risks to the health and safety of staff, students, residents and visitors were managed throughout the year. There were no significant health and safety incidents in the year.

WESLEY HOUSE, CAMBRIDGE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2021

Any factors likely to affect future financial performance

The main factor likely to affect future financial performance is the Covid-19 pandemic. The Trustees consider that the resilience shown in the year and the number of distance learning students places this as a medium level risk to future financial performance.

Plans for future periods

Plans for the future including aims and objectives and activities planned to achieve them

Students

We have 57 Wesley House students on programmes accredited through the Cambridge Theological Federation in 2021/22. This is forecast to rise to a peak of 81 in 2024/25 as our Kenyan cohorts join us, and returning to 60 by 2029/30.

We plan to continue our partnership with Wesley Theological Seminary, Washington DC, USA to host two DMin cohorts each visiting twice a year from 2021/22 onwards. Teaching in January 2022, for the final session of Track D and the first session of Track E. had to be moved online. We look forward to welcoming Track E in person in June 2022. Track F starts in March 2023.

Staff

There is planned recruitment during 2021/22 for two permanent members of staff to replace the Interim Director of Global Wesleyan Theology, Dr Paul Chilcote, and the Interim Director of Doctoral Pathways, Dr Helen Cameron. In January 2022 we were pleased to welcome Dr Medi Volpe as the Director of Research and we are grateful that Dr Cameron is remaining with us as a Research Fellow.

Africa University

Wesley House will continue to deliver its partnership with Africa University which is a five year project from 2019 to 2023. This funded by the GBHEM with a grant of \$1.4m, of which \$892,706 (£703k) is income to Wesley House with the remainder paid directly to Africa University.

Kenya Methodist University

Wesley House will continue to deliver its partnership with Kenya Methodist University which is an eight year project from 2019 to 2027. This is funded by the World Church Relations office of the MCB with a grant of £1,623,000 which is all payable to Wesley House who will pass on £479,000 to Kenya Methodist University.

Pastoral Supervision

We plan to continue to run Wesley House's Certificate and Diploma courses in Pastoral Supervision throughout the year and in summer vacations using a mixture of online and face to face courses. We also plan to continue supporting the roll out of Supervision in the United Methodist Church in the USA through course development and oversight, and training.

Wesley House Foundation

The Wesley House Foundation was formed in the USA during 2019/20. Recruitment to its board started with the appointment of Jake Schrum as its Chair. Two further board members were identified but the process was put on hold when Covid arrived in the USA. After the pandemic has subsided the Foundation plans to recruit a full board and to visit Wesley House to meet staff and

WESLEY HOUSE, CAMBRIDGE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2021

students. The Foundation will be a vehicle for fundraising in the USA and has 501(c)(3) status for tax-efficient giving.

LeAD Hub

We expect to continue our work as a LeAD Hub for GBHEM.

Centenary

2021 is the College's centenary year. This is being celebrated with a series of events and a fund raising appeal. Details are on our centenary website at www.wesleyhouse100.com.

Trustees' perspective of the future direction of the charity

In common with all higher educational institutions, the Trustees are considering the long term impact of Covid on the sector and ways of teaching of learning. During the year the Trustees started a process of reviewing the College's business plan and considered various different scenarios for operating differently. The review is ongoing but the Trustees affirmed their support for the current strategy and activity and are planning to maintain the current direction of the charity, strengthening its resilience wherever possible.

WESLEY HOUSE, CAMBRIDGE
 TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
 FOR THE YEAR ENDED 31 AUGUST 2021

Trustees' Responsibilities Statement

The trustees, who are also directors for the purposes of company law, are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. 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.

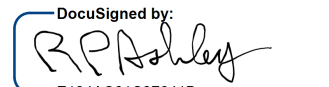
Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware;
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

The trustees' annual report and the strategic report were approved on 7th February 2022 and signed on behalf of the board of trustees by:

DocuSigned by:

228B306B25D74AC.....
The Revd Dr Stuart Jordan
 Trustee

DocuSigned by:

E134AC61C87641B.....
Dr Paul Ashley
 Trustee

**WESLEY HOUSE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Opinion

We have audited the financial statements of Wesley House (the charitable company) for the year ended 31 August 2021 which comprise the statement of financial activities (including income and expenditure account), the balance sheet, statement of cash flows and the related notes, 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 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its 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 Companies Act 2006.

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 charitable company 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 charitable company'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 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.

**WESLEY HOUSE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Other information (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

**WESLEY HOUSE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Auditor's responsibilities for the audit of the financial statements

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the annual financial statements from our general commercial and charitable company specific experience, through discussion with the trustees (as required by auditing standards), and from inspection of the charitable company's regulatory correspondence, and we discussed with the trustees the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indication to non-compliance throughout the audit; the audit team are deemed both competent and capable of identifying non-compliance with rules and regulations.

The potential effect of these laws and regulations on the annual financial statements varies considerably. Firstly, the charitable company is subject to laws and regulations that directly affect the annual financial statements including financial reporting legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related annual account items. Secondly, the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance non-compliance with industry regulations. We assessed the risk of fraud in the financial statements through discussion with management and from our experience of the charitable company. We communicated identified fraud risk areas throughout our team and remained alert to any indication of fraud throughout the audit. In particular, we assessed the potential impact of the global pandemic known as Covid-19 on the risk of fraud. We did not identify any instances of fraud during the course of our audit.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance with laws and regulations. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**WESLEY HOUSE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021**

Use of our report

This report is made solely to the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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Stuart Graham Berriman (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants and Statutory Auditors
Beech House
4a Newmarket Road
Cambridge, CB5 8DT

Date: 07 March 2022

WESLEY HOUSE, CAMBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds £	2021 Restricted Funds £	Total Funds £	2020 Total Funds £
Income and endowments					
Donations and legacies	4	113,517	428,359	541,876	575,040
Charitable activities		588,911	-	588,911	624,910
Other trading activities		3,201	-	3,201	16,059
Investment income	5	2,289	-	2,289	1,788
Total Income		<u>707,918</u>	<u>428,359</u>	<u>1,136,277</u>	<u>1,217,797</u>
Expenditure					
Charitable activities	6	777,824	21,459	799,284	727,684
Trading activities	6	24,364		24,364	40,789
Total expenditure		<u>802,189</u>	<u>21,459</u>	<u>823,648</u>	<u>768,473</u>
Net gain on investment		-	-	-	-
Net income/(expenditure)		<u>(94,271)</u>	<u>406,900</u>	<u>312,629</u>	<u>449,324</u>
Transfers between funds		239,759	(239,759)	-	-
Net movement in funds		<u>145,488</u>	<u>167,141</u>	<u>312,629</u>	<u>449,324</u>
Reconciliation of funds					
Total funds brought forward		<u>10,650,943</u>	<u>442,299</u>	<u>11,093,242</u>	<u>10,643,918</u>
Total funds carried forward		<u>10,796,431</u>	<u>609,440</u>	<u>11,405,871</u>	<u>11,093,242</u>


The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

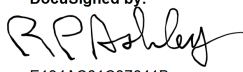
WESLEY HOUSE, CAMBRIDGE
BALANCE SHEET
AS AT 31 AUGUST 2021

REGISTERED NUMBER: 09147032

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible fixed assets	11	10,525,279	10,083,937
Total fixed assets		<u>10,525,279</u>	<u>10,083,937</u>
CURRENT ASSETS			
Trade and other debtors	12	152,129	48,848
Cash at bank and in hand		<u>1,100,605</u>	<u>1,377,888</u>
		1,252,734	1,426,736
CREDITORS: amounts falling due within one year	13	(103,809)	(129,098)
NET CURRENT ASSETS		<u>1,148,925</u>	<u>1,297,638</u>
CREDITORS: amounts falling due after one year	14	(268,333)	(288,333)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,405,871</u>	<u>11,093,242</u>
NET ASSETS		<u>11,405,871</u>	<u>11,093,242</u>
RESERVES			
Restricted Funds		609,440	442,299
Unrestricted Funds		10,796,431	10,650,943
TOTAL FUNDS	15	<u>11,405,871</u>	<u>11,093,242</u>

The financial statements of Wesley House, Cambridge were approved by the Board of Trustees and authorised for issue on 7 February 2022 and signed on its behalf by

DocuSigned by:

228B306B26D74AG.....
The Revd Dr Stuart Jordan
Trustee

DocuSigned by:

E134AC01C37041B.....
Dr Paul Ashley
Trustee

WESLEY HOUSE, CAMBRIDGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
Cash flows from operating activities		
Net income/(expenditure)	312,629	449,324
Adjustments for:		
Depreciation of tangible fixed assets	127,124	109,911
Other interest receivable and similar income	(2,289)	(1,788)
Net gains on investments	-	-
Changes in:		
Trade and other debtors	(103,281)	(10,382)
Trade and other creditors	(45,289)	274,398
Net cash generated by/(used in) operating activities	<u>288,894</u>	<u>821,463</u>
Cash flows from investing activities		
Interest received	2,289	1,788
Purchase of tangible assets	(568,466)	(310,801)
Proceeds from sale of other investments	-	-
Net cash generated (used in)/by investing activities	<u>(566,177)</u>	<u>(309,013)</u>
Net (decrease)/increase in cash and cash equivalents	(277,283)	512,450
Cash and cash equivalents at beginning of year	1,377,888	865,438
Cash and cash equivalents at end of year	<u>1,100,605</u>	<u>1,377,888</u>

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General Information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Wesley House, Jesus Lane, Cambridge, CB5 8BJ.

A separate income and expenditure summary has not been produced as it is not considered necessary to do so.

Wesley House, Cambridge meets the definition of a public benefit entity under FRS 102.

The members of the company are the Trustees named on page 3. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the potential impact on the company of the current global pandemic known as COVID-19. In the opinion of the directors there will be no material adverse effect on the company's ability to continue. The directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The lease from Jesus College has a provision for determining the lease at Wesley House's instigation and an agreed compensation formula. This provides the Trustees with comfort that as a last resort there is a mechanism for releasing significant funds should they be needed.

For these reasons the Trustees continue to adopt the going concern basis in preparing the financial statements.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Accounting policies (continued)

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from donated goods is measured at the fair value of the goods unless this is impractical to measure reliably, in which case the value is derived from the cost to the donor or the estimated resale value. Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Accounting policies (continued)

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property - Depreciated over the length of the lease

Fixtures and fittings - 10% straight line

Equipment - 20% - 25% Straight line

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

3. Accounting policies (continued)

Impairment of Fixed Assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Defined Contribution Plans

The charitable company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to income and expenditure in the period to which they relate.

Financial instruments

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

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.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

WESLEY HOUSE, CAMBRIDGE
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FOR THE YEAR ENDED 31 AUGUST 2021

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Donations				
Bursary Income	-	11,980	11,980	7,310
Online Course	-	-	-	1,000
31/32 Jesus Lane	-	5,000	5,000	534,301
Mrs Lucy Rogers	-	411,379	411,379	-
Miscellaneous donations	113,517	-	113,517	32,429
	<u>113,517</u>	<u>428,359</u>	<u>541,876</u>	<u>575,040</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
Bank interest receivable	2,289	-	2,289	1,788
	<u>2,289</u>	<u>-</u>	<u>2,289</u>	<u>1,788</u>

6. EXPENDITURE BY ACTIVITY TYPE

	Activities undertaken directly 2021 £	Support Costs 2021 £	Total 2021 £	Total 2020 £
Charitable Activities				
Theological & Training	456,107	343,177	799,284	727,684
Trading Activities				
Accommodation	-	24,364	24,364	40,789
	<u>456,107</u>	<u>367,541</u>	<u>823,648</u>	<u>768,473</u>

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

7. ANALYSIS OF SUPPORT COSTS

	Total 2021 £	Total 2020 £
Support staff costs	98,421	101,759
Premises	205,250	222,779
General Office	57,355	42,711
Governance costs	6,515	6,256
	367,541	373,505

8. NET (EXPENDITURE)/INCOME

	2021 £	2020 £
Net (expenditure)/income is stated after charging:		
Depreciation of tangible fixed assets	127,124	109,911
Auditors' remuneration	4,600	4,600
Pension costs	5,648	2,400

9. STAFF COSTS

	2021 £	2020 £
Wages	168,361	107,857
Social security	14,201	9,649
Pension	5,648	2,400
Total	188,210	119,906

The average number of staff in the year was 6 (2020: 5)

No employee received employee benefits of more than £60,000 during the year (2020: £nil)

Key management personnel

During the year remuneration received by key management personnel totalled £124,670 (2020 £100,114).

10. TRUSTEES' REMUNERATION AND EXPENSES

The trustees received no remuneration (2020: £nil) during the year.

During the period, no Trustees received reimbursement of expenses (2020: £nil) in connection with their service.

During the year donations of £23,140 (2020: £5,220) were received from Trustees.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

11. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixture and fittings £	Equipment £	Total £
Cost				
At 1 September 2020	9,029,179	1,494,176	20,127	10,543,482
Additions	567,255	-	1,211	568,466
Disposals	-	-	-	-
At 31 August 2021	<u>9,596,434</u>	<u>1,494,176</u>	<u>21,338</u>	<u>11,111,948</u>
Depreciation				
At 1 September 2020	255,739	183,679	20,127	459,545
Charge for the year	93,904	32,917	303	127,124
At 31 August 2021	<u>349,643</u>	<u>216,596</u>	<u>20,430</u>	<u>586,669</u>
Net book value				
At 31 August 2021	<u>9,246,791</u>	<u>1,277,580</u>	<u>908</u>	<u>10,525,279</u>
At 31 August 2020	<u>8,773,440</u>	<u>1,310,497</u>	<u>-</u>	<u>10,083,937</u>

12. DEBTORS

	2021 £	2020 £
Trade debtors	27,109	23,257
Prepayments and accrued income	43,676	23,748
Other debtors	81,344	1,843
	<u>152,129</u>	<u>48,848</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	39,862	4,966
Accruals and deferred income	52,056	115,945
Social security and other taxes	5,466	2,698
Pension contributions	250	-
Other creditors	6,175	5,489
	<u>103,809</u>	<u>129,098</u>

Included in Accruals and deferred income above is the following deferred income:

	£
As at 1 September 2020	17,372
Deferred income recognised in the year	(17,372)
Resources deferred during the year	24,575
At 31 August 2021	<u>24,575</u>

Deferred income represents income received for conference room hire and rent received from IOCS.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020
	£	£
Accruals and deferred income	268,333	288,333
	<u>268,333</u>	<u>288,333</u>

Deferred income represents income received in advance for rent and service charges from IOCS.

15. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 September 2020	Income	Expenditure	Transfers	Gains & losses	At 31 August 2021
	£	£	£	£	£	£
General Funds	<u>10,650,943</u>	<u>707,918</u>	<u>(802,189)</u>	<u>239,759</u>	<u>-</u>	<u>10,796,431</u>

Restricted Funds

	At 1 September 2020	Income	Expenditure	Transfers	Gains & losses	At 31 August 2021
	£	£	£	£	£	£
Bursary Fund	54,507	11,980	(2,006)		-	64,481
Paul Jeffries Fund	2,523	-	-		-	2,523
John Stanfield Memorial Fund	69,638	-	(14,294)		-	55,344
Roberts Library Fund	12,594	-	-		-	12,594
Burton Harry Copeman fund	400	-	-		-	400
Rev E Peake	7,086	-	(470)		-	6,616
Finch Scholarship	42,930	-	-		-	42,930
Sanders Library Bequest	5,703	-	-		-	5,703
Weatherhead, Jones, and Davison	8,220	-	(750)		-	7,470
Online Course	1,000	-	(1,000)		-	-
31/32 Jesus Lane	237,698	5,000	(2,939)	(239,759)	-	-
Reverend Edward Rogers Scholarship in Christian Ethics	-	411,379	-		-	411,379
	<u>442,299</u>	<u>428,359</u>	<u>(21,459)</u>	<u>(239,759)</u>	<u>-</u>	<u>609,440</u>

Bursary fund

The Bursary Fund was set up to provide assistance to students in case of need.

Paul Jeffries fund

The Paul Jeffries Scholarship (of up to £3,000) is offered at the discretion of the Trustees to any student from Chung Chi College, Hong Kong of sufficient academic calibre who applies to study at Wesley House either on one of its formal programmes or as an independent research student.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. ANALYSIS OF CHARITABLE FUNDS (continued)

John Stanfield Memorial fund

The Stanfield Memorial Fund was established by Rev John E Stanfield, Dr Lorna C Barrie and Lady (Audrey) Wood together with their children and grandchildren, as a permanent memorial to their parents, Rev John Howard Stanfield and Lillian May Stanfield. The memorial fund supported the building of the Gatehouse, including a perching bench carved with a quote from John Wesley "I look upon the whole world as my parish". The family's global ministry, stretching from 1874 to 1997, reflects this. The remaining funds have been donated to the College's Bursary Fund to be used at the Trustees' discretion in support of its aims as an International College.

Roberts Library Fund

The Roberts Library fund was created from a legacy from Mrs Myra Stevenson Roberts in 1984 and is for the purpose of purchasing books for the library.

Burton Harry Copeman fund (Ward Prize)

A cash prize of £200 awarded for academic contribution to the college by a first year student.

Weatherhead, Jones, and Davison Prize

At a meeting of Trustees on 16th November 2017 the Trustees agreed proposals from the Academic Committee to consolidate the Weatherhead, Jones and Davison prizes into one prize fund to be used for:

- 1) An annual prize in books up to a value of £750 for a student receiving first class in a taught award; and
- 2) An annual prize in books up to a value of £750 for academic excellence/impact in a conference paper or published paper.

Peak Fund

To assist students unable to buy books. A one-time book grant of £250 per student, awarded in cases of real need.

Sanders Library Bequest

A bequest for the income to be applied for library books.

John Finch Scholarship

The John Finch scholarship was created to provide travelling scholarships to be known as "John Finch Scholarships" for candidates for the Ministry of the Methodist Church undergoing training at Wesley College as students for such Ministry or having completed their training at Wesley College not more than one year before being awarded a scholarship. Mr Finch created and contributed to the fund in his lifetime and left £5,000 in his will in 1944, the income from which is to be applied to the scholarships.

The terms of the will were that "the said travelling scholarships shall be scholarships for furthering the education of the said students or past students to whom they are awarded by enlarging their vision amplifying their knowledge and extending their experience to the intent that they become the better fitted to discharge their duties as Ministers of the Methodist Church when appointed as such."

On line Course

£1,000 was received in 2020 from The Gibbs Trust towards the production of an online course to run in 2021 featuring the work of the artist James Smetham and other painters.

31/32 Jesus Lane

Monies given to refurbish 31/32 Jesus Lane.

The transfer of £239,759 represents the capitalisation of the building works for 31/32 Jesus Lane during the year to 31 August 2021.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

15. ANALYSIS OF CHARITABLE FUNDS (continued)

Reverend Edward Rogers Scholarship in Christian Ethics

This fund was created to endow scholarships in the field of Christian Social Ethics with a legacy from Mrs Lucy Rogers.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	10,525,279	-	10,525,279
Net Current assets	539,485	609,440	1,148,925
Creditors due after one year	(268,333)		(268,333)
Net assets	<u>10,796,431</u>	<u>609,440</u>	<u>11,405,871</u>

17. OPERATING LEASE COMMITMENTS

The College has a 120 year operating lease agreement with Jesus College, Cambridge for the premises at a peppercorn rent from 1st September 2014 to 31st August 2134. The amount of the peppercorn rent was not specified in the contract but was understood to mean £nil and £nil rent is currently charged.

At the end of the 120 year period the premises remain the property of Jesus College, Cambridge and there is no option for Wesley House, Cambridge to acquire the land and buildings that are currently rented. However, Wesley House, Cambridge can extend the arrangement for a further 15 years at the end of the term.

Wesley House, Cambridge can choose to terminate the agreement at any time within the 120 year lease period. If they choose to terminate the agreement they will be compensated by Jesus College, Cambridge. This compensation is calculated by reference to the insurance valuation of the building at the date of the lease termination dated adjusted for the proportion of the lease term which has already expired. Jesus College, Cambridge can only determine the lease if the building remains unoccupied by Wesley House, Cambridge for 18 months or if Wesley House, Cambridge fails to pay the lease payments (which, as outlined above, are set at £nil).

18. RELATED PARTIES

There are no related party transactions other than those in Note 10.

19. PENSION AND OTHER POST RETIREMENT BENEFITS

In September 2020 all ministerial posts at Wesley House were brought under the control of the Methodist Conference. This meant that they were no longer employees of Wesley House and the responsibility for their pensions lay with the Methodist Church and Wesley House did not have any pension liability provisions due. This situation reversed in September 2021 and both ministerial staff based at Wesley House were no longer under the control of the Conference and became employees of Wesley House once again. One of the ministers involved retired from the Church at that point and no pension payments are being made on their behalf from 2021. A personal pension scheme was opened for the other minister. This is a defined contribution scheme and so no pension liabilities will be due, other than the monthly employer contributions.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

20. CONTINGENT LIABILITY

In February 2019 the Maurice and Hilda Laing Charitable Trust offered a grant of £374,301 towards the costs of refurbishing 31 and 32 Jesus Lane. The offer was conditional on giving the following undertaking:

In the event of Wesley House leaving the Federation, Wesley House undertakes to pay the Federation a sum determined as follows:

- If the date of leaving the Federation is less than five years from 14th October 2019, £374,301;
- If the date of leaving the Federation is less than eight years from 14th October 2019, £262,011;
- If the date of leaving the Federation is less than ten years from 14th October 2019, £112,290
- If the date of leaving the Federation is more than ten years from 14th October 2019, £1.

The monies thus paid to the Federation shall be used by the Federation to make loans or grants to Houses to promote the purposes of the Federation.

21. COMPARATIVE FOR THE STATEMENT OF FINANCIAL STATEMENTS

		2020 Unrestricted Funds £	Restricted Funds £	Total Funds £
	Note			
Income and endowments				
Donations and legacies	4	32,429	542,611	575,040
Charitable activities		624,910	-	624,910
Other trading activities		16,059	-	16,059
Investment income	5	1,788	-	1,788
Total Income		<u>675,186</u>	<u>542,611</u>	<u>1,217,797</u>
Expenditure				
Charitable activities	6	625,981	101,703	727,684
Trading activities	6	40,789	-	40,789
Total expenditure		<u>666,770</u>	<u>101,703</u>	<u>768,473</u>
Net gain on investment		-	-	-
Net (expenditure)/income		<u>8,416</u>	<u>440,908</u>	<u>449,324</u>
Transfers between funds		293,888	(293,888)	-
Net movement in funds		<u>302,304</u>	<u>147,020</u>	<u>449,324</u>
Reconciliation of funds				
Total funds brought forward		<u>10,348,639</u>	<u>295,279</u>	<u>10,643,918</u>
Total funds carried forward		<u>10,650,943</u>	<u>442,299</u>	<u>11,093,242</u>