



WESLEY HOUSE, CAMBRIDGE
REPORT AND FINANCIAL STATEMENTS
31 AUGUST 2023

Registered Charity Number: 1158440

Company registration Number: 09147032

WESLEY HOUSE, CAMBRIDGE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2023

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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	
The Revd Stephen Burgess	16/11/2016	31/08/2027	
Bishop Kenneth Carter	11/05/2023	10/05/2029	
The Revd Catherine Dixon	25/02/2015	31/08/2025	
Christine Elliott	12/11/2019	31/08/2026	Chair of Trustees from 1 June 2023
Bala Gnanapragasam	12/11/2019	31/08/2026	
Elizabeth Ovey	24/07/2014	31/08/2024	
David Peniket	12/11/2019	31/08/2026	Chair of Finance and General Purposes Committee from 11 Nov 2022
Professor Nigel Poole	17/02/2021	31/08/2027	Chair of Development Committee Chair of Academic Committee from 8 February 2022
The Revd Julian Pursehouse	10/06/2015	31/08/2025	Chair of Academic Committee until 7 February 2022
Christopher Roles	11/05/2023	10/05/2029	
The Revd Rose Westwood	10/11/2022	09/11/2028	
Former Trustees			
Dr Roger Paul Ashley	24/07/2014	Resigned 10/11/2022	Chair of Finance and General Purposes Committee until 10 Nov 2022
The Revd Dr Stuart Jordan	24/07/2014	Resigned 31/05/2023	Chair of Trustees until 31 May 2023
David Scahill	01/09/2017	Resigned 13/07/2023	

Trustees are appointed for a six year term which may be extended once by four years. The initial term for those appointed before May 2022 starts on 1st September following their appointment.

Auditors:

Chater Allan LLP, Chartered Accountants and statutory auditors,
7 Quy Court, Colliers Lane, Stow-cum-Quy, CB25 9AU

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The Board of Trustees presents its annual report and the audited financial statements for the year ended 31 August 2023 .

Structure, governance and management

Governance

Wesley House, Cambridge is governed by its Articles of Association adopted on 24th July 2014, as amended on 6th May 2022, 7th July 2022 and 10th November 2022.

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. It is a registered charity, number 1158440.

The Company is required to have between nine and fifteen members, at least 50% of whom are members of the Methodist Church in Britain or have a comparable connection with another Church which is a member of the World Methodist Council.

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 Holiness Editorial Board reports to the Academic committee and is an advisory body with no delegated powers. The committees also include Wesley House employees and co-opted volunteers with relevant expertise.

There is an Executive Committee, chaired by the Chair of Trustees and with the Chairs of the three committees, the Secretary of the Trustees (who is a Trustee), the Principal and the Business Director. The Committee meets as needed to assist the Trustees and the senior staff of the college in the formulation of strategy, nominations to committees, the handling of staffing and personnel issues and any other matters referred to it by the Board of Trustees.

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. The Company may by ordinary resolution appoint a person who is willing to act to be a Trustee and determine, subject to the provisions of article 14.1, the term of the appointment.
 - 15.1. No person other than a Trustee retiring on the expiration of the term of appointment but eligible for reappointment may be appointed a Trustee at any general meeting unless:
 - 15.2. he or she is recommended for re-election by the Trustees; or
 - 15.3. not less than fourteen nor more than thirty-five clear days before the date of the meeting, the Company is given a notice that:

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- 15.3.1. is signed by a member entitled to vote at the meeting;
- 15.3.2. states the member's intention to propose the appointment of a person as a Trustee;
- 15.3.3. contains the details that, if the person were to be appointed, the Company would have to file at Companies House; and
- 15.3.4. is signed by the person who is to be proposed to show his or her willingness to be appointed.
- 15.4. All members who are entitled to receive notice of a general meeting must be given not less than seven nor more than twenty-eight clear days' notice of any resolution to be put to the meeting to appoint a Trustee other than a Trustee who is to retire.
- 15.5. The Trustees may co-opt a person who is willing to act to be a Trustee.
- 15.6. A Trustee co-opted by a resolution of the other Trustees must retire at the next general meeting but (for the avoidance of doubt) such co-option does not constitute an appointment for the purposes of article 14.1
- 15.7. The appointment of a Trustee, whether by the charity in general meeting or by the other Trustees, must not cause the number of Trustees to exceed any number fixed as the maximum number of Trustees.

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

As reported in last year's accounts, Dr Paul Ashley resigned as a Director/Trustee in August 2022 and The Revd Rose Westwood was appointed as a Director/Trustee in November 2022. Since that report there have been two Trustee appointments, Bishop Kenneth Carter and Chris Roles, and two resignations, The Revd Dr Stuart Jordan and David Scahill. The Trustees would like to record their thanks to Dr Jordan and Mr Scahill for their work for, and support of, the College. They would particularly like to pay tribute to Dr Jordan's skillful and faithful leadership of the Trustee body since 2017.

Staff changes

In August 2023 the College said farewell to The Revd Dr Adam Ployd, who had been Vice Principal since September 2021. The Trustees are grateful for Dr Ployd's contribution to the College and are pleased that he remains as part of the academic supervisor team.

Arrangements for setting pay and remuneration of key management personnel

The Principal's pay during 2021/22 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 and allowance that would have been payable was converted into a salary. It has subsequently been increased by the same percentage as has been applied to Methodist ministers.

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

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individual with the skills and experience required. It increases annually by the same percentage as applied to the Principal's pay.

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

In July 2022 the Methodist Church in Britain ("MCB") and Wesley House signed 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. Other than this Memorandum Wesley House does not have a formal relationship with MCB. The Principal is a Presbyterian 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.

The MCB provided funding of £2,500 to Wesley House in the 2022/23 year for which the Trustees are grateful. It is used to support the costs of the *Holiness* journal.

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 established 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).

Wider networks: Leaderwise

In March 2023 Wesley House signed a Memorandum of Understanding with Leaderwise in the USA to create a Centre for Creative Supervision that will jointly deliver training, consultancy and research into Reflective Pastoral Supervision in the USA.

Relationships between the charity and related parties

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 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.

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Objectives and activities

Our Purposes

Wesley House's charitable purposes, as set out in the Articles of Association dated 10 November 2022, are as follows:

- 4.1. The object of the Company is the advancement of education and the Christian faith in particular by establishing and maintaining a college, hostel or institution within the precincts of the University of Cambridge which provides:
 - 4.1.1. training in theology and formation in a Wesleyan tradition for accepted candidates for the ministry and ordained ministers of the Methodist Church worldwide; and
 - 4.1.2. theological training to lay members of the Methodist Church worldwide; and
 - 4.1.3. theological training to others consistently with the values of the Methodist and Wesleyan traditionsby means of tuition, academic supervision and mentoring (including by remote means) together with residential facilities in connection with such tuition, supervision and mentoring, where appropriate.
- 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".

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

Creating and disseminating research and offering teaching shaped by that research relates to "training in theology and formation" 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 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.

The **Centre for Global Wesleyan Theology**, which was under the Directorship of The Revd Dr Adam Ployd in the 2022/23 year, 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

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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**, also under the Directorship of The Revd Dr Adam Ployd during the year, pursues scholarship and educational activities that investigate and cultivate new models of ecclesial leadership and ministry in a global context.

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.

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Activities in the period

Students

307 people were taught through Wesley House in the 2022/23 year of whom:

- 96 students from 21 different countries were on formally accredited courses
- 132 were trained in Pastoral/Reflective Supervision (14 courses)
- 79 took part in our non-accredited courses

In addition, 512 took part in public lectures and events, meaning we reached over 800 people this year.

46% of our students in the year were from Africa, 29% from the UK, 17% from North America and 7% from Asia and Continental Europe. The average age of our students was 46.

Eight of our full time students were part of the residential community in Cambridge for some or all of the year; four PhD students (from China, Kenya, Malaysia, and South Africa), three DTM students (Australia, Hong Kong, USA) and a Mission Partner (UK) preparing to travel to Rwanda. The community was joined by students from our Africa University cohort programme for extended study leave during the year; two from Liberia and two from Zimbabwe.

Six students were funded with Wesley House bursaries; of these two were supported by the MCB's Scholarship and Leadership Training Programme.

In 2022/23, 54 Wesley House students were on the following courses delivered by the Cambridge Theological Federation.

With Anglia Ruskin University:

- 6 x PhD (full time)
- 17 x PhD (part time)
- 2 x MPhil (part time)
- 8 x DProf (part time)
- 13 x MA (part time)
- 1 x Postgraduate Diploma (part time)
- 4 x Postgraduate Certificate (part time)

With the University of Cambridge:

- 3 x DTM (full time)

In addition:

- 11 students were on a Postgraduate Diploma in Church Leadership and Ministerial Formation which we co-taught at Kenya Methodist University.
- Two cohorts, of 8 and 10 students respectively, were on a Postgraduate Certificate in Theological Research which we co-taught at Kenya Methodist University. Four of the first cohort progressed in the year to the PhD programme.
- 13 Doctor of Ministry students (validated by Wesley Theological Seminary, Washington, USA) were taught at Wesley House.

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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 Research (validated by Kenya Methodist University)
- Postgraduate Diploma in Church Leadership and Ministerial Formation (validated by Kenya Methodist University)

Holiness journal

Two issues of our free online journal, Holiness, were published in the year. Holiness volume 8, issue 1 (April 2023) and Holiness volume 8, issue 2 (August 2023) can be found at <https://sciendo.com/journal/holiness>.

Margaret Beaufort Institute of Theology

In August 2023 we were pleased to welcome the Margaret Beaufort Institute of Theology who have taken up temporary residence in 32 Jesus Lane following the sale of their property on Grange Road. This gives an opportunity of increased working together between the Methodist, Catholic and Orthodox members of the Cambridge Theological Federation, as we are all now located in the same premises.

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.

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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.

Volunteers

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

Many people have supported our community life and worship by preaching at services and leading evening discussion groups. 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 2022/23.

Objective 1) To support Wesley House students' success

Our achievements under this objective included:

- Putting together a doctoral student handbook
- Developing a termly pattern of staff development for research supervisors
- Reviewing the impact of the small size of the residential community on student experience

Objective 2) To secure a sustainable future for the college

Our achievements under this objective included:

- Secured a grant of £100,000 from the Westminster Oxford Trusts.
- Extending Reflective Pastoral Supervision into two commercial contexts
- Promoting the value of legacy gifts
- Increasing letting accommodation and conferencing facilities

Objective 3) To retain, recruit and support excellent staff

Our achievements under this objective included:

- Refining our meetings structure to make hybrid working work.
- Appointing a Chaplain
- Improving communication with staff about large strategic vision and decisions

Performance of material fundraising activities against the fundraising objectives set

Our objective was to raise £35,000 of donations in the year and the total raised was £26,175, including contributions to the Brian E Beck Memorial Fund and the Paul Jefferies scholarship.

Material expenditure incurred to raise income in the future

We spent a total of £6,823 to support fundraising in the year.

Investment performance against the investment objectives

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

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

None

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Financial review

Review of financial position

As expected, the year ended up with an operating deficit. However, pre-payment by the General Board of Higher Education and Ministry of the 2023/24 grant for the project with Africa University meant that the year was cash-positive, ending with an increase of £178k. As can be seen from the analysis of charitable funds, the final amounts in the John Stanfield Memorial Fund were used in the year and only £29k remains in the bursary fund, all of which is committed. There is £290k in the Edward Rogers fund but all of this, save for £25k, is committed. The low level of funding available for scholarships and bursaries, taken alongside the fact that the end of the funding for the projects with Africa University and Kenya Methodist University is in sight, have led the Trustees to take an in-depth review of funding a sustainable business plan. This review is expected to come to significant strategic decisions by the end of the 2023/24 financial year.

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
- Hire of meeting rooms and offices
- 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.

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 the operational funds and used to offset actual costs incurred. If money raised is in excess of the stated cause, the remainder will be treated as an unrestricted donation.
- 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.

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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 2023 was £130,058. Unrestricted funds at year end were £10,614,635 of which £236,259 were free reserves. Total reserves including restricted funds are £11,016,405.

Going concern

The Trustees are monitoring the company's cashflow carefully and have identified a need to increase working capital during the 2024/25 year, currently estimated to be between £300k - £500k. Discussions are taking place with a funder who could make a significant annual grant and advice has been taken about what sums could be released by surrendering part or all of the lease. Commercial lenders have been approached to provide a bridging loan for use in the 2024/25 year and two have invited a formal application. At the date of this report a loan application has been made but no final decision has been made.

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The lease from Jesus College has a provision for determining the lease at Wesley House's instigation with a minimum of 6 month's notice. The contractual compensation formula would release in excess of the value of fixed assets (2023: £10.4m).

On the basis of the advice received and the actions being taken 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 and 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

None

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 reduce those risks.

High level risks identified included the need to create a sustainable financial business plan and the need to retain and recruit good staff. 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.

Medium level risks identified included not meeting fundraising targets, the effect of not having a sufficiently large bursary fund, the viability of the Federation and its member organisations, the Federation's UKVI status, cyber security and student recruitment. The Trustees took action to address these and other risks throughout the year.

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.

The Trustees reviewed the College's Business Continuity planning as part of its risk management.

Any factors likely to affect future financial performance

The main factors likely to affect future financial performance are the effects of inflation on running costs and the decline in the numbers of students caused by the cost of living, rising inflation and general trends in theological and other higher education.

WESLEY HOUSE, CAMBRIDGE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2023

Plans for future periods

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

Students

We expect to have 50 Wesley House students on programmes accredited through the Cambridge Theological Federation in 2023/24. This number is likely to reduce over the next seven years as our cohorts of PhD students from Africa complete their research.

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. We are currently expecting the final students to complete their research in 2026.

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 passing on £479,000 to Kenya Methodist University. We are currently expecting the final students to complete their research in 2028.

Reflective 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. We also plan to continue supporting the roll out of Supervision in the United States of America, the Methodist Church in Britain, the Salvation Army and the United Reformed Church through course development and oversight, and training. Conversations with several Church of England dioceses about training in Supervision are in advanced stages.

LeAD Hub

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

Trustees' perspective of the future direction of the charity

The Trustees are continuing a process of reviewing the College's business plan and considering various scenarios for operating differently. The review is ongoing but the Trustees affirmed their support for the current strategy and activity and are planning to strengthen the Charity's resilience wherever possible.

WESLEY HOUSE, CAMBRIDGE
 TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
 FOR THE YEAR ENDED 31 AUGUST 2023

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.

Statement as to disclosure of information to Auditors

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 9th May 2024 and signed on behalf of the board of trustees by:



David Peniket
 Trustee



Janet Arthur
 Trustee

**WESLEY HOUSE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

Opinion

We have audited the financial statements of Wesley House (the charitable company) for the year ended 31 August 2023 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 2023 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.

Material uncertainty relating to Going Concern

We draw attention to note 19 of the financial statements whereby the Trustees have identified a need to increase working capital, in particular in relation to liquidity, during the year. As stated in note 19, these conditions indicate a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not qualified in this respect.

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.

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 2023**

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 2023**

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We identified the laws and regulations applicable to the charitable company through discussions with Directors and other management, and from our knowledge and experience of the education sector;
- We obtained an understanding of the legal and regulatory framework applicable to the charitable company and how it is complying with that framework;
- We obtained an understanding of the charitable company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- Tested journal entries to identify unusual transactions;
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

**WESLEY HOUSE, CAMBRIDGE
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023**

Auditor's responsibilities for the audit of the financial statements (continued)

Through the above 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.

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.



Stuart Graham Berriman (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants and Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

Date: 15 May 2024

WESLEY HOUSE, CAMBRIDGE
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds £	2023 Restricted Funds £	Total Funds £	2022 Total Funds £
Income and endowments					
Donations and legacies	4	132,104	6,922	139,026	45,531
Charitable activities		691,105	-	691,105	832,058
Other trading activities		181,079	-	181,079	78,093
Investment income	5	9,227	-	9,227	97
Total Income		<u>1,013,515</u>	<u>6,922</u>	<u>1,020,437</u>	<u>955,779</u>
Expenditure					
Raising Funds	6	6,823	-	6,823	13,934
Charitable activities	6	1,029,572	122,074	1,151,646	986,845
Trading activities	6	79,555	-	79,555	126,879
Total expenditure		<u>1,115,950</u>	<u>122,074</u>	<u>1,238,024</u>	<u>1,127,658</u>
Net gain on investment		-	-	-	-
Net (expenditure)/income		<u>(102,435)</u>	<u>(115,152)</u>	<u>(217,587)</u>	<u>(171,879)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(102,435)</u>	<u>(115,152)</u>	<u>(217,587)</u>	<u>(171,879)</u>
Reconciliation of funds					
Total funds brought forward		<u>10,717,070</u>	<u>516,922</u>	<u>11,233,992</u>	<u>11,405,871</u>
Total funds carried forward		<u>10,614,635</u>	<u>401,770</u>	<u>11,016,405</u>	<u>11,233,992</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 2023

REGISTERED NUMBER: 09147032

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible fixed assets	11	10,378,376	10,428,702
Total fixed assets		<u>10,378,376</u>	<u>10,428,702</u>
CURRENT ASSETS			
Trade and other debtors	12	86,313	134,585
Cash at bank and in hand		<u>1,189,398</u>	<u>1,011,460</u>
		1,275,711	1,146,044
CREDITORS: amounts falling due within one year	13	(277,450)	(92,422)
NET CURRENT ASSETS		<u>998,261</u>	<u>1,053,623</u>
CREDITORS: amounts falling due after one year	14	(360,232)	(248,333)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>11,016,405</u>	<u>11,233,992</u>
NET ASSETS		<u>11,016,405</u>	<u>11,233,992</u>
RESERVES			
Restricted Funds		401,770	516,922
Unrestricted Funds		10,614,635	10,717,070
TOTAL FUNDS	15	<u>11,016,405</u>	<u>11,233,992</u>

The financial statements of Wesley House, Cambridge were approved by the Board of Trustees and authorised for issue on 9th May 2024 and signed on its behalf by:



.....
David Peniket
Trustee



.....
Janet Arthur
Trustee

WESLEY HOUSE, CAMBRIDGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	2023	2022
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(217,587)	(171,879)
Adjustments for:		
Depreciation of tangible fixed assets	121,180	119,404
Other interest receivable and similar income	(9,227)	(97)
Net gains on investments	-	-
Changes in:		
Trade and other debtors	48,272	17,544
Trade and other creditors	296,928	(31,387)
Net cash (used in)/generated by operating activities	<u>239,565</u>	<u>(66,415)</u>
Cash flows from investing activities		
Interest received	9,227	97
Purchase of tangible assets	(70,854)	(22,827)
Proceeds from sale of other investments	-	-
Net cash used in investing activities	<u>(61,627)</u>	<u>(22,730)</u>
Net (decrease)/increase in cash and cash equivalents	177,938	(89,145)
Cash and cash equivalents at beginning of year	1,011,460	1,100,605
Cash and cash equivalents at end of year	<u>1,189,398</u>	<u>1,011,460</u>

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

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 as the information is shown on the SoFA.

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.

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.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Accounting policies (continued)

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.

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:

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

3. Accounting policies (continued)

Long leasehold property - Depreciated over the length of the lease

Fixtures and fittings - 10% straight line

Equipment - 20% - 25% Straight line

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Donations				
Bursary Income	-	350	350	4,640
Brian E Beck	-	5,572	5,572	-
Paul Jeffries	-	1,000	1,000	-
Miscellaneous donations	132,104	-	132,104	40,891
	<u>132,104</u>	<u>6,922</u>	<u>139,026</u>	<u>45,531</u>

5. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £	Total Funds 2022 £
Bank interest receivable	9,227	-	9,227	97
	<u>9,227</u>	<u>-</u>	<u>9,227</u>	<u>97</u>

The increase in income from investments is a result of the increase in interest rates on Barclays current and deposit accounts.

6. EXPENDITURE BY ACTIVITY TYPE

	Activities undertaken directly 2023 £	Support Costs 2023 £	Total 2023 £	Total 2022 £
Raising Funds	6,823	-	6,823	13,934
Charitable Activities				
Theological & Training	710,968	440,678	1,151,646	986,845
Trading Activities				
Accommodation	-	79,555	79,555	126,879
	<u>717,791</u>	<u>520,233</u>	<u>1,238,024</u>	<u>1,127,658</u>

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. ANALYSIS OF SUPPORT COSTS

	Total 2023 £	Total 2022 £
Support staff costs	119,714	114,476
Premises	316,125	319,627
General office	78,245	43,770
Governance costs	6,149	6,440
	520,233	484,313

8. NET (EXPENDITURE)/INCOME

	2023 £	2022 £
Net (expenditure)/income is stated after charging:		
Depreciation of tangible fixed assets	121,180	119,404
Auditors' remuneration	4,600	4,600
Pension costs	25,899	17,082

9. STAFF COSTS

	2023 £	2022 £
Wages	276,638	307,649
Social security	26,771	27,927
Pension	25,899	17,082
Total	329,307	352,658

The average number of staff in the year was 14 (2022: 13)

No employee received employee benefits of more than £60,000 during the year (2022: £nil)

Key management personnel

During the year remuneration received by key management personnel totalled £134,301 (2022: £128,150).

10. TRUSTEES' REMUNERATION AND EXPENSES

The trustees received no remuneration (2022: £nil) during the year.

During the period, 1 Trustee received £159 reimbursement of expenses (2022: 1 Trustee received £159) in connection with their service.

During the year donations of £3,300 (2022: £10,750) were received from Trustees.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

11. TANGIBLE FIXED ASSETS

	Long leasehold property £	Fixture and fittings £	Equipment £	Total £
Cost				
At 1 September 2022	9,616,540	1,494,443	23,792	11,134,775
Additions	57,866	10,652	2,336	70,854
Disposals	-	-	-	-
At 31 August 2023	<u>9,674,406</u>	<u>1,505,095</u>	<u>26,128</u>	<u>11,205,629</u>
Depreciation				
At 1 September 2022	435,186	249,541	21,346	706,073
Charge for the year	85,671	34,009	1,500	121,180
At 31 August 2023	<u>520,857</u>	<u>283,550</u>	<u>22,846</u>	<u>827,253</u>
Net book value				
At 31 August 2023	<u>9,153,549</u>	<u>1,221,545</u>	<u>3,282</u>	<u>10,378,376</u>
At 31 August 2022	<u>9,181,354</u>	<u>1,244,902</u>	<u>2,446</u>	<u>10,428,702</u>

12. DEBTORS

	2023 £	2022 £
Trade debtors	42,783	41,994
Prepayments and accrued income	37,515	89,481
Other debtors	6,015	3,110
	<u>86,313</u>	<u>134,585</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	20,520	21,232
Accruals and deferred income	196,287	60,576
Social security and other taxes	6,391	7,417
Pension contributions	751	
Other creditors	53,501	3,197
	<u>277,450</u>	<u>92,422</u>

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

	£
As at 1 September 2022	37,565
Deferred income recognised in the year	(37,565)
Resources deferred during the year	156,257
At 31 August 2023	<u>156,257</u>

Deferred income represents income received for conference room hire and rent received from IOCS and grant received from Africa University Cohort Programme.

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2023 £	2022 £
Accruals and deferred income	360,232	248,333
	<u>360,232</u>	<u>248,333</u>

Deferred income represents income received in advance for rent and service charges from IOCS and grant received from Africa University Cohort Programme.

15. ANALYSIS OF CHARITABLE FUNDS

Unrestricted funds

	At 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains & losses £	At 31 August 2023 £
General Funds	<u>10,717,070</u>	<u>1,013,515</u>	<u>(1,115,950)</u>	<u>-</u>	<u>-</u>	<u>10,614,635</u>

Restricted Funds

	At 1 September 2022 £	Income £	Expenditure £	Transfers £	Gains & losses £	At 31 August 2023 £
Bursary Fund	64,845	350	(36,580)	-	-	28,615
Paul Jeffries Fund	2,523	1,000	(921)	-	-	2,602
John Stanfield Memorial Fund	5,414	-	(5,414)	-	-	-
Roberts Library Fund	12,594	-	-	-	-	12,594
Burton Harry Copeman fund	400	-	-	-	-	400
Rev E Peake	6,366	-	(65)	-	-	6,301
Finch Scholarship	42,930	-	-	-	-	42,930
Sanders Library Bequest	5,703	-	-	-	-	5,703
Weatherhead, Jones, and Davison	6,720	-	-	-	-	6,720
Reverend Edward Rogers						
Scholarship in Christian Ethics	369,427	-	(78,931)	-	-	290,496
Brian E Beck	-	5,572	(163)	-	-	5,409
	<u>516,922</u>	<u>6,922</u>	<u>(122,074)</u>	<u>-</u>	<u>-</u>	<u>401,770</u>

Bursary fund

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

Paul Jeffries fund

The Paul Jefferies Scholarship is offered at the discretion of the Trustees to anyone at Wesley House in Cambridge, either on one of its formal programmes or as an independent research student, whose learning or research supports Christian ministry to people in Hong Kong or mainland China.

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.

WESLEY HOUSE, CAMBRIDGE
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15. ANALYSIS OF CHARITABLE FUNDS (continued)

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."

In their July 2022 meeting, the Trustees considered that the John Finch Scholarship fund can no longer be used for its original purpose. They therefore resolved to release the £5,000 capital in the John Finch Scholarship fund to be added to the income accumulated so that the entire amount of £42,930 can be used to provide John Finch Scholarships.

The Trustees resolved that John Finch Scholarships may be offered to individuals who are current students of Wesley House, and who are Methodist Ministers or training to become Methodist Ministers for the purpose of travelling to or from Cambridge to increase their knowledge and experience that will enrich their ministry. The amount of each scholarship remains at the discretion of the Trustees.

WESLEY HOUSE, CAMBRIDGE
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FOR THE YEAR ENDED 31 AUGUST 2023

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.

Brian E Beck

The Brian E Beck Memorial Fund was established in November 2022. Donations to the fund are used to support the development and teaching of Methodist Theology to which Brian dedicated much of his scholarly life.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
Tangible fixed assets	10,378,376	-	10,378,376
Net Current assets	596,491	401,770	998,261
Creditors due after one year	(360,232)		(360,232)
Net assets	<u>10,614,635</u>	<u>401,770</u>	<u>11,016,405</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 reinstatement cost 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. GOING CONCERN

The Trustees are monitoring the company's cashflow carefully and have identified a need to increase working capital during the 2024/25 year, currently estimated to be between £300k-£500k. Discussions are taking place with a funder who could make a significant annual grant and advice has been taken about what sums could be released by surrendering part or all of the lease. Commercial lenders have been approached to provide a bridging loan for use in the 2024/25 year and two have invited a formal application. At the date of this report a loan application has been made but no final decision has been made. The lease from Jesus College has a provision for determining the lease at Wesley House's instigation with a minimum of 6 month's notice. The contractual compensation formula would release in excess of the value of fixed assets (2023: £10.4m).

WESLEY HOUSE, CAMBRIDGE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

19. GOING CONCERN (continued)

On the basis of the advice received and the actions being taken 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 and continue to adopt the going concern basis in preparing the financial statements.

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

	2022 Unrestricted Funds £	Restricted Funds £	Total Funds £
Income and endowments			
Donations and legacies	40,891	4,640	45,531
Charitable activities	832,058	-	832,058
Other trading activities	78,093	-	78,093
Investment income	97	-	97
Total Income	951,139	4,640	955,779
Expenditure			
Raising Funds	13,934	-	13,934
Charitable activities	889,687	97,158	986,845
Trading activities	126,879	-	126,879
Total expenditure	1,030,500	97,158	1,127,658
Net gain on investment	-	-	-
Net (expenditure)/income	(79,361)	(92,518)	(171,879)
Transfers between funds	-	-	-
Net movement in funds	(79,361)	(92,518)	(171,879)
Reconciliation of funds			
Total funds brought forward	10,796,431	609,440	11,405,871
Total funds carried forward	10,717,070	516,922	11,233,992