

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

England & Wales · Charity number 529253

Details

Other names NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL),
NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)
BURSARY AND PRIZE FUND, THE CONGREGATIONAL COLLEGE
MANCHESTER, NORTHERN COLLEGE

Status Registered

Legal form Other

Registered 1961-05-25

Register [View on the Charity Commission register](#)

Contact

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Manchester
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Website www.northerncollege.co.uk

Activities

Objects: THE OBJECT OF THE COLLEGE IS TO ADVANCE THE CHRISTIAN RELIGION IN ACCORDANCE WITH THE TENETS OF THE CHURCHES BY PROVIDING EDUCATION AND TRAINING FOR:1) CANDIDATES FOR THE MINISTRIES OF THE CHURCHES,2) MINISTERS OF, AND LAY PEOPLE IN, THE CHURCHES, AND3) MINISTERS AND LAY PERSONS FROM OTHER DENOMINATIONSAND IN SUCH OTHER WAYS AS THE GOVERNORS THINK FIT.

Activities: The object of the College is to advance the Christian Religion in accordance with the tenets of the Churches by providing education and training for:1. candidates for the ministries of the Churches,2. Ministers of, and lay people in, the Churches, and3. Ministers and lay persons from other denominations and in such other ways as the governors think fit.

Classification

- **How:** Provides Human Resources, Provides Advocacy/advice/information, Sponsors Or Undertakes Research
- **What:** Education/training, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£556,740	£602,250	£7,266,750	6
2023-08-31	£516,132	£603,007	£6,761,075	6
2022-08-31	£488,761	£568,182	-	-
2021-08-31	£480,262	£537,208	-	-
2020-08-31	£517,659	£579,300	£6,683,518	7

Trustees

Name	Role	Appointed
Luther King House Educational Trust		2026-03-10

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

England & Wales - Charity number 529253

Accounts

**NORTHERN COLLEGE (UNITED REFORMED AND
CONGREGATIONAL)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2024**

Charity Number 529253

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2024

CONTENTS	PAGE
Trustees Annual Report	1
Independent Auditor's Report to the Trustees	12
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

TRUSTEES ANNUAL REPORT

This report fulfils the requirements of the Charities Act 2011 for a Trustees' Annual Report.

Governors and Charity Trustees

The College is governed by an unincorporated Board of Governors who are also the Charity Trustees. This body includes ten nominated Governors, five co-opted Governors and the Principal. The nominated Governors are appointed by the Council of the Congregational Federation, the General Assembly of The United Reformed Church and the students of the College. The Congregational Federation and The United Reformed Church appoint for a term of four years and the students of the College for one year. Co-opted Governors are appointed by the Governors for a term of four years.

The Governors have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Nominated by the United Reformed Church (6)

Revd Mark A Bates (S)

Dr Lesley Coote

Mr Willie Duncan (F) – ceased 7 July 2023

Mr John R Grundy

Mrs Margaret Marshall

Revd Raymond S Singh

Nominated by the Congregational Federation (2)

Revd Oliver Kinchin (S)

Revd Alan Kennedy

Nominated by the students of the College (2)

Mrs Carol Clack – ceased 8 April 2024

Mrs Margaret Dexter-Brown – commenced 9 April 2024

Mr Edward Lyne – commenced 9 April 2024

Mr Maurice Omorojie – ceased 8 April 2024

Co-opted Governors (4 + 1 vacancy)

Revd Robert Hopcroft – ceased 30 June 2024

Revd James Kissack

Revd Michael Newman – commenced 1 July 2024

Mrs Jo Patterson

Revd Daleen ten Cate

Ex Officio Governor (1)

Revd Dr Adam J Scott (Principal) (F)

Membership of Committees is shown by the following letters: - (F) Finance and Resources Committee (formerly the Finance Advisory Group), and (S) Standing Committee.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

OFFICERS:

President	Revd J R Grundy
Secretary	Revd Dr C J Dowd
Treasurer	Mr M Hart – ceased 1 January 2024
Principal	Revd Dr A J Scott

Principal Address	Luther King House Brighton Grove Rusholme Manchester M14 5JP
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Registered Charity Number	529253
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Custodian Trustee	The Northern College Trust Limited
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ADVISERS:

Auditors	Beever and Struthers One Express 1 George Leigh Street, Manchester, M4 5DL
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Solicitors	Veale Wasbrough Vizards LLP Second Floor, 3 Brindley Place, Birmingham B1 2JB
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Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
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Investment Advisors	Brewin Dolphin 10 Wellington Place Leeds LS1 4AN
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Insurance Brokers	Edwards Insurance Brokers: Stonebridge House Kenilworth Road Meriden CV7 7LJ
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NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

The Northern College Board of Governors present their annual report for the year ended 31 August 2024 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

The College was founded in 1843 and is registered with the Charity Commission under charity number 529253 dated 25th May 1961.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed under a scheme adopted 9th April 2001 (amended by resolution dated 14th July 2003) which replaced earlier schemes.

Governing body

The Board of Governors includes members nominated by the United Reformed Church, the Congregational Federation and students of the College as well as Governors co-opted by the Board; the Principal is an ex officio Governor. (See page 1.)

Recruitment and training of Governors

Governors are appointed by the governing body on the basis of nominations received from The United Reformed Church, Congregational Federation and Student Body. A proportion is co-opted by the governing body itself. Through consultation with the nominating bodies the Board seeks to recruit persons with appropriate backgrounds that will help to maintain a balance of skills and experience within the governing body. All new Governors receive a pack of information which contains policies and other documents relevant to the governance and working of the College; in addition, they receive induction training from the Secretary or the Principal. Each year the College Governors normally have an extended meeting which, apart from essential business, is largely devoted to discussing with College staff, and others, the core work and the wider role of the College. In addition, time is regularly set aside at Board meetings for the discussion of policies and the strategic direction of the development of the College in accordance with its charitable objects.

Organisational management

The College Governors, as Trustees of the charity, are legally responsible for the overall management and control of the College and meet five times a year. They are supported by a Finance and Resources Committee (FRC) convened by the Treasurer which includes both Governors and other, co-opted, members. The Board of Governors takes responsibility for the academic and other educational standards of the College, and for the support of the teaching staff. FRC normally meets in advance of Governors' meetings in order to make recommendations and reports to the governing body. The day to day running of the College is delegated to the Principal. The standing committee is a group of three governors who may be called upon to deal with certain Human Resource and grievance procedures and as such meet only on an ad hoc basis when required.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

Group structure and relationships

The Northern College Trust Limited is the custodian Trustee of the College.

The College is a founding, stakeholding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. The Principal is the college's nominated governor and trustee on the LKHET Board.

The financial relationships between other colleges, LKHET and Northern College have been kept under review and since the Covid-19 crisis. A number of meetings have been held by Zoom between the Principals of the college and governors/committee members with financial expertise to monitor the situation.

Risk management and assessment

The Board of Governors is responsible for consideration of ongoing risks faced by the College. The detailed work is delegated to FRC which has identified current risks and risk levels and taken steps to establish systems that will prevent or mitigate those risks. The risk policy is reviewed annually. (See below on the management of significant risks this year).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects and principle activities

The object of the College is to advance the Christian religion in accordance with the tenets of the churches by providing education and training of men and women:

- candidates for the ministries of the churches
- ministers of, and lay people in, the churches
- ministers and lay persons from other denominations and in such other way as the Governors think fit.

The College's 'core business' is the fulfilment of the first part of this object, to provide education and training for ordination of stipendiary- and non-stipendiary Ministers of Word and Sacraments, and for commissioned ministry of Church-Related Community Work within the United Reformed Church and the Congregational Federation as appropriate. It fulfils this object in an ecumenical setting as a member of LKHET. Other aspects of the object are fulfilled by lay, and pre- and post-ordination/commissioning training offered to the wider United Reformed Church and Congregational Federation, and to other denominations (in particular the Moravian Church). The college also trains URC Assembly Accredited Lay Preachers and Maravian Lay Preachers.

The charity also maintains a variety of endowments whose objects are: to award bursaries to those students who are in need; and to award prizes.

The Development Plan is reviewed annually by the Board of Governors; its purpose is to:

- set out the present situation and work of Northern College;
- reflect on how the College is working to its charitable objective; and
- to look at potential future developments such as staffing levels, key partnerships and wider outworking of the charitable objective, in particular the serving of the wider churches.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

In addition to the regular review of the Development Plan, there is a meeting-by-meeting review of a rolling 'Action Plan' which distils the actions required to ensure the out-working of the Development Plan.

Aims and intended impact

The aim, in collaboration with other colleges within LKHET, is to provide appropriate education and training for ministerial and ministry of church-related community work students and lay people, including practical experience within churches and a variety of other environments. A further aim is to provide resources, funded by sponsoring bodies and the College's assets, to enable the aims and objectives to be achieved.

Objectives for the year

The focus has been on the continued provision of education for our students, church and community placements at home and abroad, to attend to the personal development of students and to encourage theological maturity and growth overseen by a system of personal tutoring.

During the academic year Northern College had 14 ministerial students and 17 lay students.

The College will also continue to support and increase the benefit to the wider church as it seeks to fulfil its objectives. This is a significant aspect of the public benefit of this Charity. In particular, offering lay training – Assembly Accredited Lay Preacher course, a Lay Preachers' Conference and bespoke training for the wider Church on topics such as worship, the Sacraments, the rites of passage, resilience and trauma. Lay training is becoming increasingly important in the United Reformed Church as the numbers of ministers is falling in relation to the number of worshipping communities.

Strategies to achieve the year's objectives

Strategies in place included the ongoing five-year cycle of sabbaticals for academic staff in order to maintain academic staff competencies. In addition, there was further development of links with a number of Synods of the United Reformed Church and with the Moravian Church. Through the work of the Principal and all the Tutors, the College continues to offer skills and experience into the wider Church.

During the year, the Governors took the decision to offer some limited funding to lay students in order to encourage student numbers across the different courses offered through Luther King Centre. No one accessed this funding this year.

Grant-making policy

The College gives grants as permitted by its charitable scheme and objects to students of the College. Grants are given as: hardship monies (normally up to a sum of approximately £1,000pa, though we did make additional provision in the past year in view of exceptional circumstances) to support students through financial crises, and to develop the part of our charitable objectives which refers to the further training of existing ministers who wish to engage in post-graduate research.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

Volunteers

The College's educational programme benefits considerably from voluntary inputs. These include Church and Community Placement Supervisors, members of Church Support Groups, Community Consultants and co-opted members of committees. Local church support is impossible to quantify, but in each academic year we estimate that between approximately 30 ministers, CRCW consultants and lay people benefit students on their educational programmes (particularly through practical placements) and support the work of the charity through membership of committees.

Operational performance of the College

During the year there have been 7 students for Stipendiary Ministry of Word and Sacrament (SM, full-time), 6 for Non-Stipendiary Ministry of Word and Sacrament (NSM, part-time), and 2 full-time for the ministry of Church-Related Community Work.

There have been 2 students successfully completing their courses and they have both received a call to a pastorate. They will receive their leaving Certificates at the annual college service in September, affirming recommendation for ordination.

Eleven AALP students began their two-year course this year. Ten continued their training. These students are being invited to integrate into other aspects of the life of the college to offer them further benefit in their courses (eg the College Away Day for ministerial students).

During the year all members of academic staff have served the wider church by the leading of worship, tutoring of courses and serving on national and synod committees. Some in the staff team contribute to international and national conferences and publications. These activities, together with work on the objects of the College, have kept Northern College in the denominational awareness within the United Reformed Church, and the British Province of the Moravian Church.

Northern College in collaboration with Luther King Centre has continued to make good use of online learning, which has increased availability of courses to our students. The weekend part-time programme continues to be taught by Zoom across six academic weekends for all LKC students, whilst the Northern College students have, in addition, three on-site residential weekends to support their personal development and preparation for ministry. The full-time mid-week course is taught on-site, with the exception of the Biblical languages modules which continue as Zoom-taught.

The AALP course is a combination of three residential weekends per year, with nine or ten sessions by Zoom in the evenings. The needs of working students were all taken into consideration.

PRINCIPLE RISKS AND UNCERTAINTIES

Funding arrangements

The College's funding is a mixture of fee income from the denominations which sponsor students, income from the College's own investments and subscriptions and donations. The main strategy of the College is to maximise income through the work of the Finance and Resource Committee and to apply the resources so generated to develop the College in accordance with its object.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

The College works with the United Reformed Church, and other denominations where applicable, to ensure that the costs of student funding are met in full wherever possible. Regular dialogue and a shared sense of mission help to mitigate any risks.

The United Reformed Church has maintained contact with Northern College to ensure the college's funding needs are met by the input of additional funding.

The United Reformed Church has indicated that there will be a reduction to their funding for ministerial training across all the Resource Centres for Learning. The process of agreeing what this reduction will be and how it will be implemented has been ongoing, but remains unresolved. Northern College has been actively involved in these conversations. The United Reformed Church has agreed that, in 2025, a small increase in funding will be received by Northern College to ensure funding throughout the denomination remains fair; match funding with other Resource Centre's for Learning (RCL's) within the United Reformed Church.

Staff pension schemes

The College is a participating employer in the URC's ministers' and lay staff's pension schemes. Following the required consultation with staff, in March 2023, the URC closed both the existing pension schemes, and all pension arrangements were moved to a new Defined Contribution Scheme provided by AON.

Investment performance against objectives

The performance of the investment portfolios has continued to be reviewed by FRC on behalf of the Governors and met expectations. The markets have been steady through the financial year which has resulted in a positive movement on investments for the period, and a gain on investment of £551,185 (2023: gain of £20,498).

Investment performance continues to be a key risk especially considering market fluctuations from Brexit, Covid-19 and other world events. These will be monitored closely. Brewin Dolphin's representative has been invited to additional meetings to assist FRC in monitoring income.

LKHET

LKHET's business subsidiary (Luther King House Accommodation and Conference Services) has continued to see an increase in its business and income this year. They secured a favourable contract for the increased cost of electricity and gas. Northern College continues to have discussions with LKHET and Northern Baptist College to continue to monitor the business's needs.

- The recruitment of undergraduate students has been poor since 2020 resulting in low fee income, with the most significant issue being the fall in the number of independent students who have applied to join the undergraduate course, although applications for the new academic year are more buoyant. We are not yet sure whether this fall in numbers is a general decline, or whether this represents a Covid knock-on situation in the sense that people do not feel able to take on the responsibility for significant fees. The effect of the poor student numbers is that the business, despite the about-turn, cannot fully subsidise the educational losses. Mitigation has been taking place through increased marketing, which is showing some impact.
- The situation in respect of Northern College students has improved. The residential weekends for the part-time students have proved successful, with staff having more time overall to spend offering tutorial and training support. These actions will take some time to bear the fullest fruit, but there has already been a good upturn in applications/acceptances from independent students for the coming academic year.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

Educational Risk

- Durham University Common Awards scheme now validates all new undergraduate and MA students at the Luther King Centre. York St John's validates all new PhD students. The University of Manchester has continued to validate some MA students, but as of the next exam board they will no longer do so. The college believes students are benefitting from LKC being part of a wide-spread network of theological training for ministry with a validator and department specifically constituted for that purpose.

PUBLIC BENEFIT STATEMENT

The Governors have taken into account the Charity Commission guidance on public benefit and believe that the activities of the College are in line with that guidance.

The College provides university-validated courses of theological Christian education for those training for Ministry of Word and Sacrament, and of Church-Related Community Work.

Those training for accredited ministries are seldom able to use their education to advance their own material interests; their whole reason for entering training is to respond to the perceived call of God upon their lives to serve the needs of local congregations and communities. All students of the College begin this service in training placements throughout their course of training. Members of the College staff also assist existing ministers in 'Continuing Ministerial Development' by offering study facilities and tuition, including for the ministers' sabbatical renewal, in-service training, and in work towards higher degrees in contextual theology which by its very nature involves issues of church community development and service.

The Academic Staff of the College also contribute to the development of lay service and ministry across the United Reformed Church and other denominations by offering and supporting training events at venues across England and Wales. By increasing the number of Academic Staff, the College has further been able to contribute to the work of the wider Church.

The new AALP course is further benefit the people of the churches both directly (for those receiving training) and indirectly (within the churches where worship leading will be carried out).

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial policy

The aim of the Governors is to finance the general activities of the College from fees paid for tuition, investment income and subscriptions and donations. If a shortfall does occur, it is covered by a transfer from the accumulated income. The Governors monitor the position carefully. The attached accounts have been prepared in accordance with the recommendations of the Statement of Recommended Practice for Charities issued by the Charities Commission.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

The College's net outgoing resources of £45,510 for the year (2023: £86,875 outgoing) as set out in the Statement of Financial Activities (SOFA) were as follows:

	2024	2023
	£	£
Investment income	150,893	147,158
Legacies	5,075	75
Operating (deficit)	<u>(201,478)</u>	<u>(234,108)</u>
	<u>(45,510)</u>	<u>(86,875)</u>
Gains on investment assets	<u>551,185</u>	<u>20,498</u>
Net movement in funds	<u>505,675</u>	<u>(66,377)</u>

The Governors are confident that there are sufficient funds available from ongoing activities and accumulated income for the College to meet its financial commitments for the foreseeable future but will continue to monitor this situation closely.

Reserves policy

The Governors aim to achieve a reserves status sufficient to generate income to cover the expenditure required to continue the education of the current students over the remainder of their courses. The maximum course length is normally, at the present time, four years and the current annual expenditure is £602,250 (2023: £603,007). Governors estimate that the level of reserves required to generate a substantial level of income are c. £4,935,000. Such a level of reserves would also cover the amounts needed to cover the costs of winding up the charity. Individual funds reserves policies are detailed in the accounting policies in note 1.

Notes 15 to 18 to the financial statements show the assets and liabilities attributable to the various funds by type and describe the various restricted funds of the College and summarises the year's movements on each fund.

At 31st August 2024 the charity holds £7,266,750 (2023: £6,761,075) in reserves, of which £13,039 (2023: £20,729) are restricted funds and £322,289 (2023: £318,373) are endowment funds. A further £385,553 (2023: £391,995) are represented by tangible fixed assets leaving £6,545,884 (2023: £6,029,978) in free reserves. FRC and the Board of Governors keep the reserve policy under review. This brings further clarity in terms of monies that can be utilised in the outworking of the Development Plan.

The Governors' policy is, therefore, to continue to maintain reserves to an appropriate level by means of annual operating surpluses and judicious management of the investment assets.

There have been significant challenges over the last two years, so that the financial relationship with LKHET is being robustly reviewed with regular meetings and consideration by both the NoCo Board and the LKHET Board. The URC is also reviewing its funding model in relation to the Colleges, and this will become clearer during the course of the next year. Northern College has significant reserves, as noted above, and we are confident that we are in a position to respond to such changes. In addition, once these situations and relationships are clearer we will be in a position better to update the Reserves Policy which is kept under regular review.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

Investment policy and objectives

The main objective for the funds of the College is to maintain future income constant in real terms. Prior to the review of funds in the year, the objective for funds in the Whalley Range Fund was to achieve capital appreciation. Following completion of the review, the investment policy will now be reconsidered and revised as appropriate.

The Governors' ethical investment policy, based on the recommendations of the United Reformed Church's advisory group, is not to invest in:-

- a) companies directly engaged in the manufacture or supply of weapons of destruction
- b) companies where a significant part of the business is in the supply of alcoholic drinks or tobacco products or military equipment (other than weapons of destruction); or the provision of gambling facilities; or the publication or distribution of pornography
- c) fossil fuel companies that are not compliant with the Paris 2015 recommendations for carbon emissions.

We will deem 'significant' to mean where the share of turnover derived from the activity concerned is more than around 10-20% of the company's total turnover.

In addition to the criteria listed the URC's investment bodies are encouraged to avoid investment in companies whose managed practices are deemed to be unacceptable or whose operations are deemed to:

- contribute to the oppressive nature of regimes which are guilty of gross human rights violations;
- contribute to a harmful impact on the social or natural environment;
- harm the society in which they operate more than they benefit it;
- promote injustice

Normally, the value of no individual equity investment should be more than 7.5% of the value in equities in both funds or 10% in either fund.

Brewin Dolphin manage the investments with full discretionary powers. The investments of the funds other than the Whalley Range Fund are held in a pooled fund for more effective management.

The Governors' policy is, therefore, to continue to maintain reserves to that level by means of annual operating surpluses and judicious management of the investment assets.

Arrangements for setting pay and remuneration of key management personnel

The Principal is the only remunerated member of the key management personnel team. Pay is reviewed annually by FRC and approved by the Governors. Mission Council of the URC Trust set the level of ministerial stipend each year. FRC use the level of stipend as a benchmark in setting the salary of the Principal.

FUTURE PLANS

The United Reformed Church looks to Northern College, Westminster College, Cambridge and the Scottish College to train ministers of Word and Sacraments and of church-related community work, as well as lay people. To support this work, Northern College intends:

- to continue to work in existing relationships within the United Reformed Church's whole learning environment, which includes not only the colleges but also lay training and continuing ministerial development offered through the Synods;
- to continue to deliver theological education and training for ministerial and lay students;
- to continue to work in partnership with LKHET to provide Durham University validated theological and ministerial education;

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2024

- to continue to support students through their ministerial training;
- to deliver and develop new forms of lay training; and
- to build further ecumenical relationships, specifically with the Moravian Church.

The combination of Zoom and on-site training (as set out above) will continue as it has proved popular with both Northern College and independent students, cutting down travel costs (though the travel costs for Northern College students are refundable). This will continue, though we will keep under review the nature of the provision, and which modes of provision are appropriate to particular courses and particular cohorts of students on different pathways of training. The College Governors will also continue to monitor what financial support maybe offered to attract further lay students (or ministers doing further studies) into Northern College and LKC.

In July 2024 the Board of Governors, alongside the Boards of Governors of Northern Baptist College and Luther King House Educational Trust, made a decision (in accordance with due process) to move towards a merger of the three charities into a new entity which will seek to continue the work of Northern College. This process is underway.

Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King House and the other colleges.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Charities Act 2011 requires the Governors as the Trustees of the College to prepare financial statements for each financial year which give a true and fair view of the College's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Governors should follow best practice and

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the College at any time, and to enable them as Trustees to ensure that the financial statements comply with charity law. The Governors are also responsible for safeguarding the College's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Rev'd J Grundy
Trustee
1 December 2024



NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the financial statements of the Northern College (United Reformed and Congregational) "the charity" for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2024

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. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE

YEAR ENDED 31 AUGUST 2024

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the Directors and reviewed Board meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)
YEAR ENDED 31 AUGUST 2024

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sue Hutchinson FCCA
Statutory Auditor

Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

One Express
1 George Leigh Street
Manchester
M4 5DL

Date

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
INCOMING RESOURCES						
Incoming resources from generating funds:						
Voluntary income	2	6,523	-	-	6,523	1,555
Investment income	3	149,379	1,514	-	150,893	147,158
Incoming resources from charitable activities	4	399,324	-	-	399,324	367,419
TOTAL INCOMING RESOURCES		<u>555,226</u>	<u>1,514</u>	<u>-</u>	<u>556,740</u>	<u>516,132</u>
RESOURCES EXPENDED						
Raising funds Charitable Activities	5	(27,267)	-	-	(27,267)	(25,260)
	6	(565,523)	(9,460)	-	(574,983)	(577,747)
TOTAL RESOURCES EXPENDED		<u>(592,790)</u>	<u>(9,460)</u>	<u>-</u>	<u>(602,250)</u>	<u>(603,007)</u>
NET (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		<u>(37,564)</u>	<u>(7,946)</u>	<u>-</u>	<u>(45,510)</u>	<u>(86,875)</u>
OTHER RECOGNISED GAINS AND LOSSES						
Gains / (losses) on investment assets		547,013	256	3,916	551,185	20,498
TRANSFERS BETWEEN FUNDS		<u>(1,160)</u>	<u>1,160</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>508,289</u>	<u>(6,530)</u>	<u>3,916</u>	<u>505,675</u>	<u>(66,377)</u>
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>6,421,973</u>	<u>20,729</u>	<u>318,373</u>	<u>6,761,075</u>	<u>6,827,452</u>
TOTAL FUNDS CARRIED FORWARD		<u>6,930,262</u>	<u>14,199</u>	<u>322,289</u>	<u>7,266,750</u>	<u>6,761,075</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.
All of the above amounts relate to continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

BALANCE SHEET

AS AT 31 AUGUST 2024

		2024		2023
		£	£	£
FIXED ASSETS				
Tangible assets	11		385,538	391,995
Investments	12		6,485,559	5,784,007
			<u>6,871,097</u>	<u>6,176,002</u>
CURRENT ASSETS				
Debtors	13	234,698		226,537
Cash at bank and in hand		183,350		376,611
			<u>418,048</u>	<u>603,148</u>
CREDITORS: Amounts falling due within one year	14	<u>(22,395)</u>		<u>(18,075)</u>
NET CURRENT ASSETS			395,653	585,073
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,266,750</u>	<u>6,761,075</u>
NET ASSETS			<u>7,266,750</u>	<u>6,761,075</u>
FUNDS				
Endowment funds	15		322,289	318,373
Restricted income funds	16		14,199	20,729
Unrestricted income funds	17		6,930,262	6,421,973
TOTAL FUNDS			<u>7,266,750</u>	<u>6,761,075</u>

The financial statements on pages 16 to 30 were approved by the Governors and authorised for issue on the 1 December 2024 and are signed on their behalf by:



Revd John R Grundy
President



Revd Dr Chris J Dowd
Secretary

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2024

	2024	2023
	£	£
Net cash (used in) operating activities	(212,020)	(91,788)
<i>Net cash (used in) investing activities</i>		
Dividends and interest from investments	150,893	147,158
Payments to acquire tangible fixed assets	(4,264)	-
Acquisition of other investments	(2,181,458)	(381,929)
Disposal of other investments	2,053,588	227,580
	<hr/>	<hr/>
Net cash provided by / (used in) investing activities	18,759	(7,191)
	<hr/>	<hr/>
(DECREASE) IN CASH	(193,261)	(98,979)
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	376,611	475,590
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	183,350	376,611
	<hr/> <hr/>	<hr/> <hr/>

RECONCILIATION OF NET OUTGOING RESOURCES BEFORE TRANSFERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net (outgoing) resources before transfers	(45,510)	(86,875)
Dividends and interest from investments	(150,893)	(147,158)
Realised investment (losses) / gains	(22,497)	139,824
Depreciation	10,721	9,468
(Increase) / decrease in debtors	(8,161)	2,224
Increase / (decrease) in creditors	4,320	(9,271)
	<hr/>	<hr/>
Net cash (used in) operating activities	(212,020)	(91,788)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Northern College (United Reformed and Congregational) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Accounting convention

The financial statements have been prepared on an accrual's basis under the historical cost convention and in accordance with applicable accounting standards. The accounts are prepared in pounds sterling.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties on the charity's ability to continue as a going concern. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The college continues to respond to the needs of students, staff and the wider church. Teaching is provided in a mixture of online and onsite classes. FRC and Governors continue to meet primarily using Zoom with two meetings of the Governors on site. Both financial and educational matters continue to be monitored closely, both within Northern College and together with Luther King Centre and the other colleges, as well as with the wider church as needs for training continue to evolve.

Judgements and estimates

Where required the Governors make judgements, estimates and assumptions that affect amounts reported in the financial statements. However, the nature of estimation means that actual outcomes could differ from those estimates. The only significant judgements that has had a material effect on the amounts recognised in the financial statements is the allocation of the investment value across the funds of the charity.

Income from charitable activities

Incoming resources from charitable activity comprises mainly tuition fee income. Tuition fees are credited to income in the financial year to which they relate.

Voluntary income

Donations under gift aid, together with the associated income tax recovery, are recognised in the income when the donation is received.

Legacies are included as income on receipt.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES (continued)

Awards and grants are credited to income in the financial year to which they relate.

Fixed assets

Land and buildings have been included in the financial statements at cost.

Depreciation is charged at the following rates:

Buildings	2% on cost
Fixtures & Fittings	33.3% on written down value

Items over £1,000 are capitalised.

Investment income

Dividends are credited to the statement of financial activities when they are receivable. Investment income, realised and unrealised gains on the collective fund is allocated in line with the relative size of the fund. Credit is taken for interest in the financial year to which it relates.

Investment assets

Investment assets are stated at the market value. Market value is based on middle market value.

Pension costs

The amount charged in respect of the pension costs, the contributions payable in the year are included within the appropriate expenditure heading in the Statement of Financial Activities

Allocation of costs

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis. Management and administration costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable, and consistent basis. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the College's Governors, and all the costs of complying with the constitutional and statutory requirements, such as costs of Governor and Committee meetings and of preparing the statutory accounts and satisfying public accountability.

Debtors

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of 31 days or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Reserves

The policies for restricted endowment income funds are as follows:

Bursary Fund including Churches of Christ

The Governors use the income of the Bursary Fund for student support in conjunction with grants from sponsoring churches

Prize Fund

The income from this fund is used to award prizes to the students

Library Fund

The income from this fund is applied to provide library facilities. Transfers are also made from the general funds to meet these costs.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. VOLUNTARY INCOME

	Unrestricted funds £	Total funds 2024 £
Donations	1,448	1,448
Legacies	5,075	5,075
	<u>6,523</u>	<u>6,523</u>

	Unrestricted funds £	Total funds 2023 £
Donations	1,480	1,480
Legacies	75	75
	<u>1,555</u>	<u>1,555</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

3. INVESTMENT INCOME

	Unrestricted Funds	Restricted Funds	Total Funds 2024
	£	£	£
Bank interest receivable	14,462	-	14,462
Other interest receivable	9,616	-	9,616
Other investment income	125,301	1,514	126,815
	<u>149,379</u>	<u>1,514</u>	<u>150,893</u>

	Unrestricted Funds	Restricted Funds	Total Funds 2023
	£	£	£
Bank interest receivable	8,941	-	8,941
Other interest receivable	6,394	-	6,394
Other investment income	130,146	1,677	131,823
	<u>145,481</u>	<u>1,677</u>	<u>147,158</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2024	2023
	£	£
URC student and RCL funding	360,983	340,262
Moravian student fees	4,765	-
URC lay preaching	22,500	17,000
Other income	11,076	10,157
	<u>399,324</u>	<u>367,419</u>

5. COST OF RAISING FUNDS

	Unrestricted funds	Total funds 2024
	£	£
Investment management costs	27,267	27,267
	<u>27,267</u>	<u>27,267</u>

	Unrestricted funds	Total funds 2023
	£	£
Investment management costs	25,260	25,260
	<u>25,260</u>	<u>25,260</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £
Training for mission and ministry	369,100	-	369,100
Support costs	196,423	9,460	205,883
	<u>565,523</u>	<u>9,460</u>	<u>574,983</u>
			Total Funds 2023 £
	Unrestricted Funds £	Restricted Funds £	
Training for mission and ministry	370,423	-	370,423
Support costs	200,884	6,440	207,324
	<u>571,307</u>	<u>6,440</u>	<u>577,747</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

		Activities undertaken directly £	Governance & support costs £	Total Funds 2024 £
Training for mission and ministry		369,100	170,452	539,552
Governance costs	8	-	35,431	35,431
		<u>369,100</u>	<u>205,883</u>	<u>574,983</u>
				Total Funds 2023 £
		Activities undertaken directly £	Governance & support costs £	
Training for mission and ministry		370,423	190,788	561,211
Governance costs	8	-	16,536	16,536
		<u>370,423</u>	<u>207,324</u>	<u>577,747</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

8. GOVERNANCE & SUPPORT COSTS

	Unrestricted Funds £	Total Funds 2024 £
Admin staff costs and expenses	51,987	51,987
Treasurer and secretary expenses	1,230	1,230
College houses expenses and rates	6,765	6,765
Staff housing and relocation costs	24,000	24,000
Library block charge	34,000	34,000
Principal's emergency fund	1,365	1,365
Prizes, bursaries and scholarship	24,460	24,460
Telephone costs	3,727	3,727
Printing, postage and stationery	1,636	1,636
IT costs / maintenance	7,655	7,655
Advertising costs, inc website	2,569	2,569
Payroll processing costs	338	338
Depreciation	10,721	10,721
<i>Governance Costs:</i>		
Audit and accountancy fees	12,309	12,309
Legal and professional fees	17,450	17,450
Costs of Trustees' meetings	5,494	5,494
Other financial costs	177	177
	<u>205,883</u>	<u>205,883</u>

	Unrestricted Funds £	Total Funds 2023 £
Admin staff costs and expenses	44,089	44,089
Treasurer and secretary expenses	1,248	1,248
College houses expenses and rates	11,285	11,285
Staff housing and relocation costs	27,460	27,460
Library block charge	59,000	59,000
Principal's emergency fund	1,260	1,260
Prizes, bursaries and scholarship	21,440	21,440
Telephone costs	3,686	3,686
Printing, postage and stationery	2,083	2,083
IT costs / maintenance	6,699	6,699
Advertising costs, inc website	2,757	2,757
Payroll processing costs	313	313
Depreciation	9,468	9,468
<i>Governance Costs:</i>		
Audit and accountancy fees	8,022	8,022
Legal and professional fees	4,040	4,040
Costs of Trustees' meetings	4,230	4,230
Other financial costs	244	244
	<u>207,324</u>	<u>207,324</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

9. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

	2024	2023
	£	£
Auditors' remuneration:		
• audit of the financial statements	8,070	8,070
• preparation of the financial statements	1,541	1,541
	<u>1,541</u>	<u>1,541</u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	215,572	211,681
Social security costs	20,819	20,908
Pension costs	36,688	43,342
	<u>273,079</u>	<u>275,931</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and actual headcount (HC), was as follows:

	2024	2024	2023	2023
	FTE	HC	FTE	HC
	No.	No.	No.	No.
Teaching and related staff	4	5	4	5
Administration staff	1	1	1	1

No employee received remuneration of more than £60,000 during the year (2023 - £60,000).

14 Trustees were reimbursed expenses totalling £2,641 (2023: 13 trustees £1,390) in relation to travel expenses. The Principal (a Trustee) was reimbursed £4,483 (2023: £2,245). These expenses were in relation to the role of Principal.

Key management personnel comprise the Trustees and the Principal. The Principal is the only Trustee remunerated by the College. This is in relation to the role of Principal. No remuneration was paid in connection with the role as Trustee. Remuneration amounted to £54,921 (2023: £84,060). Employers' pension contributions included in this total, amounted to £6,614 (2023: £14,599).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & Fittings £	Total £
COST			
At 1 September 2023	465,000	20,058	485,058
Additions	-	4,264	4,264
Disposals	-	<u>(2,679)</u>	<u>(2,679)</u>
At 31 August 2024	<u>465,000</u>	<u>21,643</u>	<u>486,643</u>
DEPRECIATION			
At 1 September 2023	73,005	20,058	93,063
Charge for the year	9,300	1,421	10,721
Released on disposal	-	<u>(2,679)</u>	<u>(2,679)</u>
At 31 August 2024	<u>82,305</u>	<u>18,800</u>	<u>101,105</u>
NET BOOK VALUE			
At 31 August 2024	<u>382,695</u>	<u>2,843</u>	<u>385,538</u>
At 31 August 2023	<u>391,995</u>	<u>-</u>	<u>391,995</u>

12. INVESTMENTS

Movement in market value

	2024 £	2023 £
Market value at 1 September 2023	5,784,007	5,748,986
Acquisitions at cost	2,181,458	381,929
Disposals at carrying value	(2,053,588)	(227,580)
Gains / (losses) on revaluation	573,682	(119,328)
Market value at 31 August 2024	<u>6,485,559</u>	<u>5,784,007</u>

All investments above are held at market valuation.

Analysis of investments at 31 August 2024 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
Listed investments					
UK Quoted fixed interest Securities	<u>6,438,404</u>	<u>2,883</u>	<u>44,272</u>	<u>6,485,559</u>	<u>5,784,007</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

13. DEBTORS

	2024	2023
	£	£
Trade debtors	14,157	3,233
Loans to Luther King House Educational Trust	213,331	213,331
Prepayments and Accrued Income	7,210	9,973
	234,698	226,537

The Trustees consider that debtors totalling £213,331 will be repayable after one year

14. CREDITORS: Amounts falling due within one year

	2024	2023
	£	£
Taxation and social security	6,067	5,853
Accruals and deferred income	16,328	12,222
	22,395	18,075

15. ENDOWMENT FUNDS

	Balance at 1 Sep 2023	Transfers	Gains and (losses)	Balance at 31 Aug 2024
	£	£	£	£
Permanent endowments				
Bursary Fund	247,416	—	3,043	250,459
Prize Fund	10,983	—	135	11,118
Library Fund	59,974	—	738	60,712
	318,373	—	3,916	322,289

	Balance at 1 Sep 2022	Transfers	Gains and (losses)	Balance at 31 Aug 2023
	£	£	£	£
Permanent endowments				
Bursary Fund	248,110	—	(694)	247,416
Prize Fund	11,013	—	(30)	10,983
Library Fund	60,143	—	(169)	59,974
	319,266	—	(893)	318,373

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2023	Incoming resources	Outgoing resources and transfers	Gains, (losses) and transfers	Balance at 31 Aug 2024
	£	£	£	£	£
Bursary Fund	18,201	1,185	(9,060)	224	10,550
Prize Fund	(805)	45	(400)	1,160	-
Library Fund	3,333	284	-	32	3,649
	<u>20,729</u>	<u>1,514</u>	<u>(9,460)</u>	<u>1,416</u>	<u>14,199</u>

	Balance at 1 Sep 2022	Incoming resources	Outgoing resources and transfers	Gains, (losses) and transfers	Balance at 31 Aug 2023
	£	£	£	£	£
Bursary Fund	22,986	1,319	(6,040)	(64)	18,201
Prize Fund	(456)	51	(400)	-	(805)
Library Fund	3,034	307	-	(8)	3,333
	<u>25,564</u>	<u>1,677</u>	<u>(6,440)</u>	<u>(72)</u>	<u>20,729</u>

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2023	Incoming resources	Outgoing resources	Gains, (losses) and transfers	Balance at 31 Aug 2024
	£	£	£	£	£
General Funds	<u>6,421,973</u>	<u>555,226</u>	<u>(592,790)</u>	<u>545,853</u>	<u>6,930,262</u>

	Balance at 1 Sep 2022	Incoming resources	Outgoing resources	Gains, (losses) and transfers	Balance at 31 Aug 2023
	£	£	£	£	£
General Funds	<u>6,482,622</u>	<u>514,455</u>	<u>(596,567)</u>	<u>21,463</u>	<u>6,421,973</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2024 Total £
Tangible fixed assets	385,538	-	-	385,538
Investments	6,438,404	2,883	44,272	6,485,559
Net current assets	106,320	11,316	278,017	395,653
	<u>6,930,262</u>	<u>14,199</u>	<u>322,289</u>	<u>7,266,750</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2023 Total £
Tangible fixed assets	391,995	-	-	391,995
Investments	5,740,628	3,273	40,106	5,784,007
Net current assets	289,350	17,456	278,267	585,073
	<u>6,421,973</u>	<u>20,729</u>	<u>318,373</u>	<u>6,761,075</u>

19. RELATED PARTY TRANSACTIONS

Details of transactions with Trustees are provided at note 10.

The College is a founding, stake holding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. Revd Dr Adam J Scott, the Principal and a member of key management personnel, is the college's nominated governor and trustee on the LKHET Board. At each meeting of the LKHET Board and the NoCo Board, the Principal's conflict of interest is declared and noted. The balance outstanding to the College at the year end was £213,331 (2023: £213,331).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2024

20. Analysis of changes in Net Debt

	At 1 Sept 2023 £	Cashflows £	At 31 Aug 2024 £
Cash at bank and in hand	<u>376,611</u>	<u>(193,261))</u>	<u>183,350</u>

	At 1 Sept 2022 £	Cashflows £	At 31 Aug 2023 £
Cash at bank and in hand	<u>475,590</u>	<u>(98,979)</u>	<u>376,611</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

England & Wales - Charity number 529253

Accounts

**NORTHERN COLLEGE (UNITED REFORMED AND
CONGREGATIONAL)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

Charity Number 529253

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

CONTENTS	PAGE
Trustees Annual Report	1
Independent Auditor's Report to the Trustees	12
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

TRUSTEES ANNUAL REPORT

This report fulfils the requirements of the Charities Act 2011 for a Trustees' Annual Report.

Governors and Charity Trustees

The College is governed by an unincorporated Board of Governors who are also the Charity Trustees. This body includes ten nominated Governors, five co-opted Governors and the Principal. The nominated Governors are appointed by the Council of the Congregational Federation, the General Assembly of The United Reformed Church and the students of the College. The Congregational Federation and The United Reformed Church appoint for a term of four years and the students of the College for one year. Co-opted Governors are appointed by the Governors for a term of four years.

The Governors have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Nominated by the United Reformed Church (6)

Revd Mark A Bates (S)

Dr Lesley Cooté

Mr Willie Duncan (F) – ceased 7 July 2023

Mr John R Grundy

Mrs Margaret Marshall

Revd Raymond S Singh

Nominated by the Congregational Federation (2)

Revd Oliver Kinchin (S)

Revd Alan Kennedy

Nominated by the students of the College (2)

Mrs Carol Clack – commenced 9 April 2023

Mr Walter Johnson – ceased 8 April 2023

Mr Maurice Omorojie – commenced 9 April 2022

Co-opted Governors (4 + 1 vacancy)

Revd David A Herbert – ceased 9 December 2022

Revd Robert Hopcroft

Revd James Kissack

Mrs Jo Patterson

Revd Daleen ten Cate

Ex Officio Governor (1)

Revd Dr Rosalind M Selby (Principal) (F) – ceased 1 February 2023

Revd Dr Adam J Scott (Principal) (F) – commenced 1 February 2023

Membership of Committees is shown by the following letters: - (F) Finance and Resources Committee (formerly the Finance Advisory Group), and (S) Standing Committee.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

OFFICERS:

President	Revd J R Grundy
Secretary	Revd Dr C J Dowd – commenced 6 May 2022
Treasurer	Mr W Duncan – ceased 7 July 2023
	Mr M Hart – commenced 7 July 2023
Principal	Revd Dr R M Selby – ceased 1 February 2023
	Revd Dr A J Scott – commenced 1 February 2023

Principal Address	Luther King House Brighton Grove Rusholme Manchester M14 5JP
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Registered Charity Number	529253
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Custodian Trustee	The Northern College Trust Limited
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ADVISERS:

Auditors	Beever and Struthers One Express 1 George Leigh Street, Manchester, M4 5DL
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Solicitors	Veale Wasbrough Vizards LLP Second Floor, 3 Brindley Place, Birmingham B1 2JB
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Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
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Investment Advisors	Brewin Dolphin 10 Wellington Place Leeds LS1 4AN
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Insurance Brokers	Edwards Insurance Brokers: Stonebridge House Kenilworth Road Meriden CV7 7LJ
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NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

The Northern College Board of Governors present their annual report for the year ended 31 August 2023 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

The College was founded in 1843 and is registered with the Charity Commission under charity number 529253 dated 25th May 1961.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed under a scheme adopted 9th April 2001 (amended by resolution dated 14th July 2003) which replaced earlier schemes.

Governing body

The Board of Governors includes members nominated by the United Reformed Church, the Congregational Federation and students of the College as well as Governors co-opted by the Board; the Principal is an ex officio Governor. (See page 1.)

Recruitment and training of Governors

Governors are appointed by the governing body on the basis of nominations received from The United Reformed Church, Congregational Federation and Student Body. A proportion is co-opted by the governing body itself. Through consultation with the nominating bodies the Board seeks to recruit persons with appropriate backgrounds that will help to maintain a balance of skills and experience within the governing body. All new Governors receive a pack of information which contains policies and other documents relevant to the governance and working of the College; in addition, they receive induction training from the Secretary or the Principal. Each year the College Governors normally have an extended meeting which, apart from essential business, is largely devoted to discussing with College staff, and others, the core work and the wider role of the College. In addition, time is regularly set aside at Board meetings for the discussion of policies and the strategic direction of the development of the College in accordance with its charitable objects.

Organisational management

The College Governors, as Trustees of the charity, are legally responsible for the overall management and control of the College and meet five times a year. They are supported by a Finance and Resources Committee (FRC) convened by the Treasurer which includes both Governors and other, co-opted, members. The Board of Governors takes responsibility for the academic and other educational standards of the College, and for the support of the teaching staff. FRC normally meets in advance of Governors' meetings in order to make recommendations and reports to the governing body. The day to day running of the College is delegated to the Principal. The standing committee is a group of three governors who may be called upon to deal with certain Human Resource and grievance procedures and as such meet only on an ad hoc basis when required.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

Group structure and relationships

The Northern College Trust Limited is the custodian Trustee of the College.

The College is a founding, stakeholding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. The Principal is the college's nominated governor and trustee on the LKHET Board.

The financial relationships between other colleges, LKHET and Northern College have been kept under review and since the Covid-19 crisis. A number of meetings have been held by Zoom between the Principals of the college and governors/committee members with financial expertise to monitor the situation.

Risk management and assessment

The Board of Governors is responsible for consideration of ongoing risks faced by the College. The detailed work is delegated to FRC which has identified current risks and risk levels and taken steps to establish systems that will prevent or mitigate those risks. The risk policy is reviewed annually. (See below on the management of significant risks this year).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects and principle activities

The object of the College is to advance the Christian religion in accordance with the tenets of the churches by providing education and training of men and women:

- candidates for the ministries of the churches
- ministers of, and lay people in, the churches
- ministers and lay persons from other denominations and in such other way as the Governors think fit.

The College's 'core business' is the fulfilment of the first part of this object, to provide education and training for ordination of stipendiary- and non-stipendiary Ministers of Word and Sacraments, and for commissioned ministry of Church-Related Community Work within the United Reformed Church and the Congregational Federation as appropriate. It fulfils this object in an ecumenical setting as a member of LKHET. Other aspects of the object are fulfilled by lay, and pre- and post-ordination/commissioning training offered to the wider United Reformed Church and Congregational Federation, and to other denominations (in particular the Moravian Church). The college also trains URC Assembly Accredited Lay Preachers and Maravian Lay Preachers.

The charity also maintains a variety of endowments whose objects are: to award bursaries to those students who are in need; and to award prizes.

The Development Plan is reviewed annually by the Board of Governors; its purpose is to:

- set out the present situation and work of Northern College;
- reflect on how the College is working to its charitable objective; and
- to look at potential future developments such as staffing levels, key partnerships and wider outworking of the charitable objective, in particular the serving of the wider churches.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

In addition to the regular review of the Development Plan, there is a meeting-by-meeting review of a rolling 'Action Plan' which distils the actions required to ensure the out-working of the Development Plan.

Aims and intended impact

The aim, in collaboration with other colleges within LKHET, is to provide appropriate education and training for ministerial and ministry of church-related community work students and lay people, including practical experience within churches and a variety of other environments. A further aim is to provide resources, funded by sponsoring bodies and the College's assets, to enable the aims and objectives to be achieved.

Objectives for the year

The focus has been on the continued provision of education for our students, church and community placements at home and abroad, to attend to the personal development of students and to encourage theological maturity and growth overseen by a system of personal tutoring.

During the academic year Northern College had 14 ministerial students and 17 lay students.

The College will also continue to support and increase the benefit to the wider church as it seeks to fulfil its objectives. This is a significant aspect of the public benefit of this Charity. In particular, offering lay training – Assembly Accredited Lay Preacher course, a Lay Preachers' Conference and bespoke training for the wider Church on topics such as worship, the Sacraments, the rites of passage, resilience and trauma. Lay training is becoming increasingly important in the United Reformed Church as the numbers of ministers is falling in relation to the number of worshipping communities.

Strategies to achieve the year's objectives

Strategies in place included the ongoing five-year cycle of sabbaticals for academic staff in order to maintain academic staff competencies. In addition, there was further development of links with a number of Synods of the United Reformed Church and with the Moravian Church. Through the work of the Principal and all the Tutors, the College continues to offer skills and experience into the wider Church.

During the year, the Governors took the decision to offer some limited funding to lay students in order to encourage student numbers across the different courses offered through Luther King Centre. No one accessed this funding this year.

Grant-making policy

The College gives grants as permitted by its charitable scheme and objects to students of the College. Grants are given as: hardship monies (normally up to a sum of approximately £1,000pa, though we did make additional provision in the past year in view of exceptional circumstances) to support students through financial crises, and to develop the part of our charitable objectives which refers to the further training of existing ministers who wish to engage in post-graduate research.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

Volunteers

The College's educational programme benefits considerably from voluntary inputs. These include Church and Community Placement Supervisors, members of Church Support Groups, Community Consultants and co-opted members of committees. Local church support is impossible to quantify, but in each academic year we estimate that between approximately 30 ministers, CRCW consultants and lay people benefit students on their educational programmes (particularly through practical placements) and support the work of the charity through membership of committees.

Operational performance of the College

During the year there have been 9 students for Stipendiary Ministry of Word and Sacrament (SM, 8 full-time and 1 part-time), 3 for Non-Stipendiary Ministry of Word and Sacrament (NSM, part-time), and 3 full-time for the ministry of Church-Related Community Work.

There have 4 students successfully completing their courses and they have all received a call to a pastorate or CRCW project. They will receive their leaving Certificates at the annual college service in September, affirming recommendation for ordination.

Ten AALP students began their two-year course this year. Seven continued their training. These students are being invited to integrate into other aspects of the life of the college to offer them further benefit in their courses (eg the College Away Day for ministerial students).

During the year all members of academic staff have served the wider church by the leading of worship, tutoring of courses and serving on national and synod committees. Some in the staff team contribute to international and national conferences and publications. These activities, together with work on the objects of the College, have kept Northern College in the denominational awareness within the United Reformed Church, and the British Province of the Moravian Church.

Northern College in collaboration with Luther King Centre has continued to make good use of online learning, which has increased availability of courses to our students. The weekend part-time programme continues to be taught by Zoom across six academic weekends for all LKC students, whilst the Northern College students have, in addition, three on-site residential weekends to support their personal development and preparation for ministry. The full-time mid-week course is taught on-site, with the exception of the Biblical languages and one level 5 module which continues as Zoom-taught.

The AALP course is a combination of three residential weekends per year, with nine or ten sessions by Zoom in the evenings. The needs of working students were all taken into consideration.

PRINCIPLE RISKS AND UNCERTAINTIES

Funding arrangements

The College's funding is a mixture of fee income from the denominations which sponsor students, income from the College's own investments and subscriptions and donations. The main strategy of the College is to maximise income through the work of the Finance and Resource Committee and to apply the resources so generated to develop the College in accordance with its object.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

The College works with the United Reformed Church, and other denominations where applicable, to ensure that the costs of student funding are met in full wherever possible. Regular dialogue and a shared sense of mission help to mitigate any risks.

The United Reformed Church has maintained contact with Northern College to ensure the college's funding needs are met by the input of additional funding.

The United Reformed Church has indicated that there will be a reduction to their funding for ministerial training across all the Resource Centres for Learning. The process of agreeing what this reduction will be and how it will be implemented has been ongoing, but unresolved this year. Northern College has been actively involved in these conversations.

Staff pension schemes

The College is a participating employer in the URC's ministers' and lay staff's pension schemes. Following the required consultation with staff, in March 2023, the URC closed both the existing pension schemes, and all pension arrangements were moved to a new Defined Contribution Scheme provided by AON.

Investment performance against objectives

The performance of the investment portfolios has continued to be reviewed by FRC on behalf of the Governors and met expectations. The markets have been steady through the financial year which has resulted in a positive movement on investments for the period, and a gain on investment of £20,498 (2022: loss of £819,845).

Investment performance continues to be a key risk especially considering market fluctuations from Brexit, Covid-19 and other world events. These will be monitored closely. Brewin Dolphin's representative has been invited to additional meetings to assist FRC in monitoring income.

LKHET

LKHET's business subsidiary (Luther King House Accommodation and Conference Services) has continued to see an increase in its business and income this year. They secured a favourable contract for the increased cost of electricity and gas. Northern College continues to have discussions with LKHET and Northern Baptist College to continue to monitor the business's needs.

- The recruitment of undergraduate students has been poor since 2020 resulting in low fee income, with the most significant issue being the fall in the number of independent students who have applied to join the undergraduate course, although applications for the new academic year are more buoyant. We are not yet sure whether this fall in numbers is a general decline, or whether this represents a Covid knock-on situation in the sense that people do not feel able to take on the responsibility for significant fees. The effect of the poor student numbers is that the business, despite the about-turn, cannot fully subsidise the educational losses. Mitigation has been taking place through increased marketing, which is showing some impact.
- The situation in respect of Northern College students has improved. The residential weekends for the part-time students have proved successful, with staff having more time overall to spend offering tutorial and training support. These actions will take some time to bear the fullest fruit, but there has already been a good upturn in applications/acceptances from independent students for the coming academic year.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

Educational Risk

- Durham University Common Awards scheme now validates all new undergraduate and MA students at the Luther King Centre. York St John's validates all new PhD students. The University of Manchester has continued to validate some MA students, but as of the next exam board they will no longer do so. The college believes students are benefitting from LKC being part of a wide-spread network of theological training for ministry with a validator and department specifically constituted for that purpose.

PUBLIC BENEFIT STATEMENT

The Governors have taken into account the Charity Commission guidance on public benefit and believe that the activities of the College are in line with that guidance.

The College provides university-validated courses of theological Christian education for those training for Ministry of Word and Sacrament, and of Church-Related Community Work.

Those training for accredited ministries are seldom able to use their education to advance their own material interests; their whole reason for entering training is to respond to the perceived call of God upon their lives to serve the needs of local congregations and communities. All students of the College begin this service in training placements throughout their course of training. Members of the College staff also assist existing ministers in 'Continuing Ministerial Development' by offering study facilities and tuition, including for the ministers' sabbatical renewal, in-service training, and in work towards higher degrees in contextual theology which by its very nature involves issues of church community development and service.

The Academic Staff of the College also contribute to the development of lay service and ministry across the United Reformed Church and other denominations by offering and supporting training events at venues across England and Wales. By increasing the number of Academic Staff, the College has further been able to contribute to the work of the wider Church.

The new AALP course is further benefit the people of the churches both directly (for those receiving training) and indirectly (within the churches where worship leading will be carried out).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial policy

The aim of the Governors is to finance the general activities of the College from fees paid for tuition, investment income and subscriptions and donations. If a shortfall does occur, it is covered by a transfer from the accumulated income. The Governors monitor the position carefully. The attached accounts have been prepared in accordance with the recommendations of the Statement of Recommended Practice for Charities issued by the Charities Commission.

The College's net outgoing resources of £86,875 for the year (2022: £79,421 outgoing) as set out in the Statement of Financial Activities (SOFA) were as follows:

	2023 £	2022 £
Investment income	147,158	134,409
Legacies	75	75
Operating (deficit)	<u>(234,108)</u>	<u>(213,905)</u>
	<u>(86,875)</u>	<u>(79,421)</u>
Gains / (losses) on investment assets	<u>20,498</u>	<u>(819,845)</u>
Net movement in funds	<u>(66,377)</u>	<u>(899,266)</u>

The Governors are confident that there are sufficient funds available from ongoing activities and accumulated income for the College to meet its financial commitments for the foreseeable future but will continue to monitor this situation closely.

Reserves policy

The Governors aim to achieve a reserves status sufficient to generate income to cover the expenditure required to continue the education of the current students over the remainder of their courses. The maximum course length is normally, at the present time, four years and the current annual expenditure is £603,007 (2022: £568,182). Governors estimate that the level of reserves required to generate a substantial level of income are c. £4,935,000. Such a level of reserves would also cover the amounts needed to cover the costs of winding up the charity. Individual funds reserves policies are detailed in the accounting policies in note 1.

Notes 15 to 18 to the financial statements show the assets and liabilities attributable to the various funds by type and describe the various restricted funds of the College and summarises the year's movements on each fund.

At 31st August 2023 the charity holds £6,761,075 (2022: £6,827,452) in reserves, of which £20,729 (2022: £25,564) are restricted funds and £318,373 (2022: £319,266) are endowment funds. A further £391,995 (2022: £401,463) are represented by tangible fixed assets leaving £6,029,978 (2022: £6,081,159) in free reserves. FRC and the Board of Governors keep the reserve policy under review. This brings further clarity in terms of monies that can be utilised in the outworking of the Development Plan.

The Governors' policy is, therefore, to continue to maintain reserves to an appropriate level by means of annual operating surpluses and judicious management of the investment assets.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

There have been significant challenges over the last two years, so that the financial relationship with LKHET is being robustly reviewed with regular meetings and consideration by both the NoCo Board and the LKHET Board. The URC is also reviewing its funding model in relation to the Colleges and this will become clearer during the course of the next year. Northern College has significant reserves, as noted above, and we are confident that we are in a position to respond to such changes. In addition, once these situations and relationships are clearer we will be in a position better to update the Reserves Policy which is kept under regular review.

Investment policy and objectives

The main objective for the funds of the College is to maintain future income constant in real terms. Prior to the review of funds in the year, the objective for funds in the Whalley Range Fund was to achieve capital appreciation. Following completion of the review, the investment policy will now be reconsidered and revised as appropriate.

The Governors' ethical investment policy, based on the recommendations of the United Reformed Church's advisory group, is not to invest in:-

- a) companies directly engaged in the manufacture or supply of weapons of destruction
- b) companies where a significant part of the business is in the supply of alcoholic drinks or tobacco products or military equipment (other than weapons of destruction); or the provision of gambling facilities; or the publication or distribution of pornography
- c) fossil fuel companies that are not compliant with the Paris 2015 recommendations for carbon emissions.

We will deem 'significant' to mean where the share of turnover derived from the activity concerned is more than around 10-20% of the company's total turnover.

In addition to the criteria listed the URC's investment bodies are encouraged to avoid investment in companies whose managed practices are deemed to be unacceptable or whose operations are deemed to:

- contribute to the oppressive nature of regimes which are guilty of gross human rights violations;
- contribute to a harmful impact on the social or natural environment;
- harm the society in which they operate more than they benefit it;
- promote injustice

Normally, the value of no individual equity investment should be more than 7.5% of the value in equities in both funds or 10% in either fund.

Brewin Dolphin manage the investments with full discretionary powers. The investments of the funds other than the Whalley Range Fund are held in a pooled fund for more effective management.

The Governors' policy is, therefore, to continue to maintain reserves to that level by means of annual operating surpluses and judicious management of the investment assets.

Arrangements for setting pay and remuneration of key management personnel

The Principal is the only remunerated member of the key management personnel team. Pay is reviewed annually by FRC and approved by the Governors. Mission Council of the URC Trust set the level of ministerial stipend each year. FRC use the level of stipend as a benchmark in setting the salary of the Principal.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2023

FUTURE PLANS

The United Reformed Church looks to Northern College, Westminster College, Cambridge and the Scottish College to train ministers of Word and Sacraments and of church-related community work, as well as lay people. To support this work, Northern College intends:

- to continue to work in existing relationships within the United Reformed Church's whole learning environment, which includes not only the colleges but also lay training and continuing ministerial development offered through the Synods;
- to continue to deliver theological education and training for ministerial and lay students;
- to continue to work in partnership with LKHET to provide Durham University validated theological and ministerial education;
- to continue to support students through their ministerial training;
- to deliver and develop new forms of lay training; and
- to build further ecumenical relationships, specifically with the Moravian Church.

The combination of Zoom and on-site training (as set out above) will continue as it has proved popular with both Northern College and independent students, cutting down travel and travel costs (though the travel costs for Northern College students are refundable). This will continue, though we will keep under review the nature of the provision, and which modes of provision are appropriate to particular courses and particular cohorts of students on different pathways of training. The College Governors will also continue to monitor what financial support maybe offered to attract further lay students (or ministers doing further studies) into Northern College and LKC.

Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King House and the other colleges.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Charities Act 2011 requires the Governors as the Trustees of the College to prepare financial statements for each financial year which give a true and fair view of the College's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Governors should follow best practice and

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the College at any time, and to enable them as Trustees to ensure that the financial statements comply with charity law. The Governors are also responsible for safeguarding the College's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Revd J Grundy
Trustee
1 December 2023



NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of the Northern College (United Reformed and Congregational) "the charity" for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity'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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2023

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. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the Directors and reviewed Board meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2023

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

**Sue Hutchinson FCCA
Statutory Auditor**

**Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the
Companies Act 2006**

One Express
1 George Leigh Street
Manchester
M4 5DL

Date: 05 February 2024

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

STATEMENT OF FINANCIAL ACTIVITIES

~~YEAR ENDED 31 AUGUST 2022~~

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
INCOMING RESOURCES						
Incoming resources from generating funds:						
Voluntary income	2	1,555	-	-	1,555	1,837
Investment income	3	145,481	1,677	-	147,158	134,409
Incoming resources from charitable activities	4	367,419	-	-	367,419	352,515
TOTAL INCOMING RESOURCES		514,455	1,677	-	516,132	488,761
RESOURCES EXPENDED						
Raising funds	5	(25,260)	-	-	(25,260)	(27,218)
Charitable Activities	6	(571,307)	(6,440)	-	(577,747)	(540,964)
TOTAL RESOURCES EXPENDED		(596,567)	(6,440)	-	(603,007)	(568,182)
NET (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		(82,112)	(4,763)	-	(86,875)	(79,421)
OTHER RECOGNISED GAINS AND LOSSES						
Gains / (losses) on investment assets		21,463	(72)	(893)	20,498	(819,845)
TRANSFERS BETWEEN FUNDS		-	-	-	-	-
NET MOVEMENT IN FUNDS		(60,649)	(4,835)	(893)	(66,377)	(899,266)
RECONCILIATION OF FUNDS						
Total funds brought forward		6,482,622	25,564	319,266	6,827,452	7,726,718
TOTAL FUNDS CARRIED FORWARD		6,421,973	20,729	318,373	6,761,075	6,827,452

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.
All of the above amounts relate to continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

BALANCE SHEET


AS AT 31 AUGUST 2023

		2023		2022
		£	£	£
FIXED ASSETS				
Tangible assets	11	391,995		401,463
Investments	12	5,784,007		5,748,986
		<u>6,176,002</u>		<u>6,150,449</u>
CURRENT ASSETS				
Debtors	13	226,537		228,761
Cash at bank and in hand		376,611		475,590
		<u>603,148</u>		<u>704,351</u>
CREDITORS: Amounts falling due within one year	14	<u>(18,075)</u>		<u>(27,348)</u>
NET CURRENT ASSETS			585,073	677,003
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,761,075</u>	<u>6,827,452</u>
NET ASSETS			<u>6,761,075</u>	<u>6,827,452</u>
FUNDS				
Endowment funds	15	318,373		319,266
Restricted income funds	16	20,729		25,564
Unrestricted income funds	17	6,421,973		6,482,622
TOTAL FUNDS			<u>6,761,075</u>	<u>6,827,452</u>

The financial statements on pages 16 to 30 were approved by the Governors and authorised for issue on the 1 December 2023 and are signed on their behalf by:



Rev'd John R Grundy
President



Mr Michael Hart
Treasurer

The notes on pages 19 to 30 form part of these financial statements.

Handwritten scribble or signature

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

BALANCE SHEET

AS AT 31 AUGUST 2023

		2023		2022
		£	£	£
FIXED ASSETS				
Tangible assets	11	391,995		401,463
Investments	12	5,784,007		5,748,986
		<u>6,176,002</u>		<u>6,150,449</u>
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NET CURRENT ASSETS		585,073		677,003
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,761,075</u>		<u>6,827,452</u>
NET ASSETS		<u>6,761,075</u>		<u>6,827,452</u>
FUNDS				
Endowment funds	15	318,373		319,266
Restricted income funds	16	20,729		25,564
Unrestricted income funds	17	6,421,573		6,482,622
TOTAL FUNDS		<u>6,761,075</u>		<u>6,827,452</u>

The financial statements on pages 16 to 30 were approved by the Governors and authorised for issue on the 1 December 2023 and are signed on their behalf by:



Rev'd John R Grundy
President

Mr Michael Hart
Treasurer

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

	2023	2022
£	£	£
Net cash (used in) / provided by operating activities	(91,788)	219,703
<i>Net cash used in investing activities</i>		
Dividends and interest from investments	147,158	134,409
Acquisition of other investments	(381,929)	(793,020)
Disposal of other investments	227,580	477,348
Net cash provided by investing activities	(7,191)	(181,263)
(DECREASE) / INCREASE IN CASH	(98,979)	38,440
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	475,590	437,150
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	376,611	475,590

RECONCILIATION OF NET OUTGOING RESOURCES BEFORE TRANSFERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net (outgoing) resources before transfers	(86,875)	(79,421)
Dividends and interest from investments	(147,158)	(134,409)
Realised investment gains	139,824	359,803
Depreciation	9,468	10,774
Decrease in debtors	2,224	53,954
(Decrease) / increase in creditors	(9,271)	9,002
Net cash (used in) / provided by operating activities	(91,788)	219,703

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Northern College (United Reformed and Congregational) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Accounting convention

The financial statements have been prepared on an accrual's basis under the historical cost convention and in accordance with applicable accounting standards. The accounts are prepared in pounds sterling.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties on the charity's ability to continue as a going concern. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The college continues to respond to the needs of students, staff and the wider church. Teaching is provided in a mixture of online and onsite classes. FRC and Governors continue to meet primarily using Zoom with two meetings of the Governors on site. Both financial and educational matters continue to be monitored closely, both within Northern College and together with Luther King Centre and the other colleges, as well as with the wider church as needs for training continue to evolve.

Judgements and estimates

Where required the Governors make judgements, estimates and assumptions that affect amounts reported in the financial statements. However, the nature of estimation means that actual outcomes could differ from those estimates. The only significant judgements that has had a material effect on the amounts recognised in the financial statements is the allocation of the investment value across the funds of the charity.

Income from charitable activities

Incoming resources from charitable activity comprises mainly tuition fee income. Tuition fees are credited to income in the financial year to which they relate.

Voluntary income

Donations under gift aid, together with the associated income tax recovery, are recognised in the income when the donation is received.

Legacies are included as income on receipt.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (*continued*)

Awards and grants are credited to income in the financial year to which they relate.

Fixed assets

Land and buildings have been included in the financial statements at cost.

Depreciation is charged at the following rates:

Buildings	2% on cost
Fixtures & Fittings	33.3% on written down value

Items over £2,500 are capitalised.

Investment income

Dividends are credited to the statement of financial activities when they are receivable. Investment income, realised and unrealised gains on the collective fund is allocated in line with the relative size of the fund. Credit is taken for interest in the financial year to which it relates.

Investment assets

Investment assets are stated at the market value. Market value is based on middle market value.

Pension costs

During the year, the College participated in the United Reformed Church Ministers Pension Fund and the URC Staff Pension Scheme, all multi-employer defined benefit schemes whose assets are managed independently of the College and the Pensions Trust Growth Plan a defined contribution pension scheme. The College is unable to identify its share of the underlying assets and liabilities and consequently the funds are all treated as defined contribution schemes. The amount charged in respect of the pension costs, the contributions payable in the year are included within the appropriate expenditure heading in the Statement of Financial Activities

Allocation of costs

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis. Management and administration costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable, and consistent basis. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the College's Governors, and all the costs of complying with the constitutional and statutory requirements, such as costs of Governor and Committee meetings and of preparing the statutory accounts and satisfying public accountability.

Debtors

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of 31 days or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Reserves

The policies for restricted endowment income funds are as follows:

Bursary Fund including Churches of Christ

The Governors use the income of the Bursary Fund for student support in conjunction with grants from sponsoring churches

Prize Fund

The income from this fund is used to award prizes to the students

Library Fund

The income from this fund is applied to provide library facilities. Transfers are also made from the general funds to meet these costs.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. VOLUNTARY INCOME

	Unrestricted funds	Total funds 2023
	£	£
Donations	1,480	1,480
Legacies	75	75
	<u>1,555</u>	<u>1,555</u>
	Unrestricted funds	Total funds 2022
	£	£
Donations	1,762	1,762
Legacies	75	75
	<u>1,837</u>	<u>1,837</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Bank interest receivable	8,941	-	8,941
Other interest receivable	6,394	-	6,394
Other investment income	130,146	1,677	131,823
	<u>145,481</u>	<u>1,677</u>	<u>147,158</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Bank interest receivable	889	-	889
Other interest receivable	2,370	-	2,370
Other investment income	129,762	1,388	131,150
	<u>133,021</u>	<u>1,388</u>	<u>134,409</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
URC student and RCL funding	340,262	337,098
Moravian student fees	-	4,733
URC lay preaching	17,000	7,235
Other income	10,157	3,449
	<u>367,419</u>	<u>352,515</u>

5. COST OF RAISING FUNDS

	Unrestricted funds £	Total funds 2023 £
Investment management costs	25,260	25,260
	<u>25,260</u>	<u>25,260</u>

	Unrestricted funds £	Total funds 2022 £
Investment management costs	27,218	27,218
	<u>27,218</u>	<u>27,218</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2023 £
Training for mission and ministry	370,423	-	370,423
Support costs	200,884	6,440	207,324
	<u>570,307</u>	<u>6,440</u>	<u>577,747</u>
			Total Funds 2022 £
	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Training for mission and ministry	353,393	-	353,393
Support costs	179,861	7,710	187,571
	<u>533,254</u>	<u>7,710</u>	<u>540,964</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

		Activities undertaken directly £	Governance & support costs £	Total Funds 2023 £
Training for mission and ministry		370,423	190,788	561,211
Governance costs	8	-	16,536	16,536
		<u>370,423</u>	<u>207,324</u>	<u>577,747</u>
				Total Funds 2022 £
		Activities undertaken directly £	Governance & support costs £	Total Funds 2022 £
Training for mission and ministry		353,393	173,586	526,979
Governance costs	8	-	13,985	13,985
		<u>353,393</u>	<u>187,571</u>	<u>540,964</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

8. GOVERNANCE & SUPPORT COSTS

	Unrestricted Funds £	Total Funds 2023 £
Admin staff costs and expenses	44,089	44,089
Treasurer and secretary expenses	1,248	1,248
College houses expenses and rates	11,285	11,285
Staff housing and relocation costs	27,460	27,460
Library block charge	59,000	59,000
Principal's emergency fund	1,260	1,260
Prizes, bursaries and scholarship	21,440	21,440
Telephone costs	3,686	3,686
Printing, postage and stationery	2,083	2,083
IT costs / maintenance	6,699	6,699
Advertising costs, inc website	2,757	2,757
Payroll processing costs	313	313
Depreciation	9,468	9,468
<i>Governance Costs:</i>		
Audit and accountancy fees	8,022	8,022
Legal and professional fees	4,040	4,040
Costs of Trustees' meetings	4,230	4,230
Other financial costs	244	244
	<u>207,324</u>	<u>207,324</u>

	Unrestricted Funds £	Total Funds 2022 £
Admin staff costs and expenses	54,881	54,881
Treasurer and secretary expenses	665	665
College houses expenses and rates	4,000	4,000
Staff housing and relocation costs	24,250	24,250
Library block charge	34,000	34,000
Principal's emergency fund	1,205	1,205
Prizes, bursaries and scholarship	19,273	19,273
Telephone costs	3,657	3,657
Printing, postage and stationery	2,264	2,264
IT costs / maintenance	5,327	5,327
Advertising costs, inc website	13,021	13,021
Payroll processing costs	269	269
Depreciation	10,774	10,774
<i>Governance Costs:</i>		
Audit and accountancy fees	8,658	8,658
Legal and professional fees	663	663
Costs of Trustees' meetings	4,392	4,392
Other financial costs	272	272
	<u>187,571</u>	<u>187,571</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

9. NET OUTGOING RESOURCES FOR THE YEAR

This is stated after charging:

	2023	2022
	£	£
Auditors' remuneration:		
• audit of the financial statements	8,070	7,270
• preparation of the financial statements	1,541	1,388
	<u>9,611</u>	<u>8,658</u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2023	2022
	£	£
Wages and salaries	211,681	219,793
Social security costs	20,908	18,287
Pension costs	43,342	64,222
	<u>275,931</u>	<u>302,302</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and actual headcount (HC), was as follows:

	2023	2023	2022	2022
	FTE	HC	FTE	HC
	No.	No.	No.	No.
Teaching and related staff	5	5	5	5
Administration staff	1	1	1	1

No employee received remuneration of more than £60,000 during the year (2022 - £60,000).

14 Trustees were reimbursed expenses totalling £1,390 (2022: 13 trustees £1,490) in relation to travel expenses. The Principal (a Trustee) was reimbursed £2,245 (2022: £2,848). These expenses were in relation to the role of Principal.

Key management personnel comprise the Trustees and the Principal. The Principal is the only Trustee remunerated by the College. This is in relation to the role of Principal. No remuneration was paid in connection with the role as Trustee. Remuneration amounted to £84,060 (2022: £52,986). Employers' pension contributions included in this total, amounted to £14,599 (2022: £9,295).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & Fittings £	Total £
COST			
At 1 September 2022	465,000	20,058	485,058
Additions	-	-	-
At 31 August 2023	<u>465,000</u>	<u>20,058</u>	<u>485,058</u>
DEPRECIATION			
At 1 September 2022	63,705	19,890	83,595
Charge for the year	9,300	168	9,468
At 31 August 2023	<u>73,005</u>	<u>20,058</u>	<u>93,063</u>
NET BOOK VALUE			
At 31 August 2023	<u>391,995</u>	-	<u>391,995</u>
At 31 August 2022	<u>401,295</u>	<u>168</u>	<u>401,463</u>

12. INVESTMENTS

Movement in market value

	2023 £	2022 £
Market value at 1 September 2022	5,748,986	6,612,962
Acquisitions at cost	381,929	793,020
Disposals at carrying value	(227,580)	(477,348)
(Losses) on revaluation	(119,328)	(1,179,648)
Market value at 31 August 2023	<u>5,784,007</u>	<u>5,748,986</u>

All investments above are held at market valuation.

Analysis of investments at 31 August 2023 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Listed investments					
UK Quoted fixed interest Securities	<u>5,740,628</u>	<u>3,273</u>	<u>40,106</u>	<u>5,784,007</u>	<u>5,748,986</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

13. DEBTORS

	2023	2022
	£	£
Trade debtors	3,233	6,933
Loans to Luther King House Educational Trust	213,331	213,331
Prepayments and Accrued Income	9,973	8,498
	<u>226,537</u>	<u>228,761</u>

The Trustees consider that debtors totalling £213,331 will be repayable after one year

14. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Taxation and social security	5,853	5,403
Accruals and deferred income	12,222	16,433
Pension liability	-	5,512
	<u>18,075</u>	<u>27,348</u>

15. ENDOWMENT FUNDS

	Balance at 1 Sep 2022 £	Transfers £	Gains and (losses) £	Balance at 31 Aug 2023 £
Permanent endowments				
Bursary Fund	248,110	-	(694)	247,416
Prize Fund	11,013	-	(30)	10,983
Library Fund	60,143	-	(169)	59,974
	<u>319,266</u>	<u>-</u>	<u>(893)</u>	<u>318,373</u>

	Balance at 1 Sep 2021 £	Transfers £	Gains and (losses) £	Balance at 31 Aug 2022 £
Permanent endowments				
Bursary Fund	250,518	-	(2,408)	248,110
Prize Fund	11,120	-	(107)	11,013
Library Fund	60,727	-	(584)	60,143
	<u>322,365</u>	<u>-</u>	<u>(3,099)</u>	<u>319,266</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2022	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2023
	£	£	£	£	£
Bursary Fund	22,986	1,319	(6,040)	(64)	18,201
Prize Fund	(456)	51	(400)	-	(805)
Library Fund	3,034	307	-	(8)	3,333
	<u>25,564</u>	<u>1,677</u>	<u>(6,440)</u>	<u>(72)</u>	<u>20,729</u>

	Balance at 1 Sep 2021	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2022
	£	£	£	£	£
Bursary Fund	29,383	1,095	(7,210)	(282)	22,986
Prize Fund	-	44	(500)	-	(456)
Library Fund	2,813	249	-	(28)	3,034
	<u>32,196</u>	<u>1,388</u>	<u>(7,710)</u>	<u>(310)</u>	<u>25,564</u>

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2022	Incoming resources	Outgoing resources and transfers	Gains, (losses) and transfers	Balance at 31 Aug 2023
	£	£	£	£	£
General Funds	<u>6,482,622</u>	<u>514,455</u>	<u>(596,567)</u>	<u>21,463</u>	<u>6,421,973</u>

	Balance at 1 Sep 2021	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2022
	£	£	£	£	£
General Funds	<u>7,372,157</u>	<u>487,372</u>	<u>(560,473)</u>	<u>(816,434)</u>	<u>6,482,622</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2023 Total £
Tangible fixed assets	391,995	-	-	391,995
Investments	5,740,628	3,273	40,106	5,784,007
Net current assets	<u>289,350</u>	<u>17,456</u>	<u>278,267</u>	<u>585,073</u>
	<u><u>6,421,973</u></u>	<u><u>20,729</u></u>	<u><u>318,373</u></u>	<u><u>6,761,075</u></u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2022 Total £
Tangible fixed assets	401,463	-	-	401,463
Investments	5,708,823	3,647	36,516	5,748,986
Net current assets	<u>372,336</u>	<u>21,917</u>	<u>282,750</u>	<u>677,003</u>
	<u><u>6,482,622</u></u>	<u><u>25,564</u></u>	<u><u>319,266</u></u>	<u><u>6,827,452</u></u>

19. RELATED PARTY TRANSACTIONS

Details of transactions with Trustees are provided at note 10.

The College is a founding, stake holding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. Rosalind Selby, the former Principal and a member of key management personnel, is the college's nominated governor and trustee on the LKHET Board. At each meeting of the LKHET Board and the NoCo Board, the Principal's conflict of interest is declared and noted. During the previous year, the following transactions took place between LKHET and the College: Loan advance of £75,000. The balance outstanding to the College at the year end was £213,331 (2022: £213,331).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2023

20. Analysis of changes in Net Debt

	At 1 Sept 2022 £	Cashflows £	At 31 Aug 2023 £
Cash at bank and in hand	<u>475,590</u>	<u>(98,979)</u>	<u>376,611</u>

	At 1 Sept 2021 £	Cashflows £	At 31 Aug 2022 £
Cash at bank and in hand	<u>437,150</u>	<u>38,440</u>	<u>475,590</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

England & Wales - Charity number 529253

Accounts

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**NORTHERN COLLEGE (UNITED REFORMED AND
CONGREGATIONAL)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2022**

Charity Number 529253

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2022

CONTENTS	PAGE
Trustees Annual Report	1
Independent Auditor's Report to the Trustees	12
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

TRUSTEES ANNUAL REPORT

This report fulfils the requirements of the Charities Act 2011 for a Trustees' Annual Report.

Governors and Charity Trustees

The College is governed by an unincorporated Board of Governors who are also the Charity Trustees. This body includes ten nominated Governors, five co-opted Governors and the Principal. The nominated Governors are appointed by the Council of the Congregational Federation, the General Assembly of The United Reformed Church and the students of the College. The Congregational Federation and The United Reformed Church appoint for a term of four years and the students of the College for one year. Co-opted Governors are appointed by the Governors for a term of four years.

The Governors have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Nominated by the United Reformed Church (6)

Revd Mark A Bates (S)

Mrs Rosie Buxton – ceased 1 July 2022

Dr Elsley Coote – commenced 11 July 2022

Mr Willie Duncan (F)

Mr John R Grundy

Mrs Margaret Marshall

Revd Raymond S Singh

Nominated by the Congregational Federation (2)

Revd Oliver Kinchin (S)

Revd Alan Kennedy

Nominated by the students of the College (2)

Mrs Felicity Barker (née Tunnard) – ceased 8 April 2022

Mr Walter Johnson – commenced 9 April 2022

Mr Maurice Omorojie – commenced 9 April 2022

Mr Mark Rodgers – ceased 8 April 2022

Co-opted Governors (4 + 1 vacancy)

Revd Tessa Henry-Robinson – ceased 1 July 2022

Revd David A Herbert

Revd Robert Hopcroft

Mrs Jo Patterson – commenced 9 April 2022

Revd Daleen ten Cate

Ex Officio Governor (1)

Revd Dr Rosalind M Selby (Principal) (F)

Membership of Committees is shown by the following letters: - (F) Finance and Resources Committee (formerly the Finance Advisory Group), and (S) Standing Committee.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

OFFICERS:

President	Revd J R Grundy
Secretary	Revd Dr C J Dowd – commenced 6 May 2022
Treasurer	Mr W Duncan
Principal	Revd Dr R M Selby
Principal Address	Luther King House Brighton Grove Rusholme Manchester M14 5JP
Registered Charity Number	529253
Custodian Trustee	The Northern College Trust Limited

ADVISERS:

Auditors	Beever and Struthers One Express 1 George Leigh Street, Manchester, M4 5DL
Solicitors	Veale Wasbrough Vizards LLP Second Floor, 3 Brindley Place, Birmingham B1 2JB
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS
Investment Advisors	Brewin Dolphin 10 Wellington Place Leeds LS1 4AN
Insurance Brokers	Edwards Insurance Brokers: Stonebridge House Kenilworth Road Meriden CV7 7LJ

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

The Northern College Board of Governors present their annual report for the year ended 31 August 2022 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

The College was founded in 1843 and is registered with the Charity Commission under charity number 529253 dated 25th May 1961.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed under a scheme adopted 9th April 2001 (amended by resolution dated 14th July 2003) which replaced earlier schemes.

Governing body

The Board of Governors includes members nominated by the United Reformed Church, the Congregational Federation and students of the College as well as Governors co-opted by the Board; the Principal is an ex officio Governor. (See page 1.)

Recruitment and training of Governors

Governors are appointed by the governing body on the basis of nominations received from The United Reformed Church, Congregational Federation and Student Body. A proportion is co-opted by the governing body itself. Through consultation with the nominating bodies the Board seeks to recruit persons with appropriate backgrounds that will help to maintain a balance of skills and experience within the governing body. All new Governors receive a pack of information which contains policies and other documents relevant to the governance and working of the College; in addition, they receive induction training from the Secretary or the Principal. Each year the College Governors normally have an extended meeting which, apart from essential business, is largely devoted to discussing with College staff, and others, the core work and the wider role of the College. In addition, time is regularly set aside at Board meetings for the discussion of policies and the strategic direction of the development of the College in accordance with its charitable objects.

Organisational management

The College Governors, as Trustees of the charity, are legally responsible for the overall management and control of the College and meet five times a year. They are supported by a Finance and Resources Committee (FRC) convened by the Treasurer which includes both Governors and other, co-opted, members. The Board of Governors takes responsibility for the academic and other educational standards of the College, and for the support of the teaching staff. FRC normally meets in advance of Governors' meetings in order to make recommendations and reports to the governing body. The day to day running of the College is delegated to the Principal. The standing committee is a group of three governors who may be called upon to deal with certain Human Resource and grievance procedures and as such meet only on an ad hoc basis when required.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

Group structure and relationships

The Northern College Trust Limited is the custodian Trustee of the College.

The College is a founding, stakeholding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. The Principal is the college's nominated governor and trustee on the LKHET Board.

The financial relationships between other colleges, LKHET and Northern College have been kept under review during the Covid-19 crisis. A number of meetings have been held by Zoom between the Principals of the college and governors/committee members with financial expertise to monitor the situation.

Risk management and assessment

The Board of Governors is responsible for consideration of ongoing risks faced by the College. The detailed work is delegated to FRC which has identified current risks and risk levels and taken steps to establish systems that will prevent or mitigate those risks. The risk policy is reviewed annually. (See below on the management of significant risks this year).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects and principle activities

The object of the College is to advance the Christian religion in accordance with the tenets of the churches by providing education and training of men and women:

- candidates for the ministries of the churches
- ministers of, and lay people in, the churches
- ministers and lay persons from other denominations and in such other way as the Governors think fit.

The College's 'core business' is the fulfilment of the first part of this object, to provide education and training for ordination of stipendiary- and non-stipendiary Ministers of Word and Sacraments, and for commissioned ministry of Church-Related Community Work within the United Reformed Church and the Congregational Federation as appropriate. It fulfils this object in an ecumenical setting as a member of LKHET. Other aspects of the object are fulfilled by lay, and pre- and post-ordination/commissioning training offered to the wider United Reformed Church and Congregational Federation, and to other denominations (in particular the Moravian Church).

The most significant addition to the College's work in the last year has been the new two-year URC Assembly Accredited Lay Preachers' Course (AALP). The URC asked Northern College to write and deliver this course as a pilot group. This has been so successful that, for the foreseeable future, the course will continue to be delivered through the College, fully-funded by the URC (centrally, and by students' synods and their local churches to a lesser extent). This year saw a pilot group of 7 students begin; in the new academic year there will be 10 new students and teaching will be consolidated across the two year groups.

The charity also maintains a variety of endowments whose objects are: to award bursaries to those students who are in need; and to award prizes.

The Development Plan is reviewed annually by the Board of Governors; its purpose is to:

- set out the present situation and work of Northern College;

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

- reflect on how the College is working to its charitable objective; and
- to look at potential future developments such as staffing levels, key partnerships and wider outworking of the charitable objective, in particular the serving of the wider churches.

In addition to the regular review of the Development Plan, there is a meeting-by-meeting review of a rolling 'Action Plan' which distils the actions required to ensure the out-working of the Development Plan.

Aims and intended impact

The aim, in collaboration with other colleges within LKHET, is to provide appropriate education and training for ministerial and ministry of church-related community work students and lay people, including practical experience within churches and a variety of other environments. A further aim is to provide resources, funded by sponsoring bodies and the College's assets, to enable the aims and objectives to be achieved.

Objectives for the year

The focus has been on the continued provision of education for our students, church and community placements at home and abroad, to attend to the personal development of students and to encourage theological maturity and growth overseen by a system of personal tutoring.

During the academic year Northern College had 15 ministerial students and 7 lay students.

The College will also continue to support and increase the benefit to the wider church as it seeks to fulfill its objectives. This is a significant step forward in the public benefit of this Charity. In particular, lay training (on the AALP course, a Lay Preachers' Conference, a "taster" weekend to seek to encourage further engagement in theological education, and training delivered on an ad hoc basis by invitation to the synod such as worship, sacraments, funerals and weddings). Lay training is becoming increasingly important in the United Reformed Church as the numbers of ministers is falling in relation to the number of worshipping communities.

Strategies to achieve the year's objectives

Strategies in place included the annual review and assessment of the Principal and other members of the College staff. There is an ongoing five-year cycle of sabbaticals for academic staff in order to maintain academic staff competencies. In addition, there was further development of links with a number of Synods of the United Reformed Church and with the Moravian Church. Through the work of the Principal and all the Tutors, the College continues to offer skills and experience into the wider Church.

During the year, the Governors took the decision to offer some limited funding to lay students in order to encourage student numbers across the different courses offered through Luther King Centre.

Grant-making policy

The College gives grants as permitted by its charitable scheme and objects to students of the College. Grants are given as: hardship monies (normally up to a sum of approximately £1,000pa, though we did make additional provision in the past year in view of exceptional circumstances) to support students through financial crises, and to develop the part of our charitable objectives which refers to the further training of existing ministers who wish to engage in post-graduate research.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

Volunteers

The College's educational programme benefits considerably from voluntary inputs. These include Church and Community Placement Supervisors, members of Church Support Groups, Community Consultants and co-opted members of committees. Local church support is impossible to quantify, but in each academic year we estimate that between 45 and 55 ministers, CRCW consultants and lay people benefit students on their educational programmes (particularly through practical placements) and support the work of the charity through membership of committees.

Operational performance of the College

During the year there have been 9 students for Stipendiary Ministry of Word and Sacrament (SM, 8 full-time and 1 part-time), 3 for Non-Stipendiary Ministry of Word and Sacrament (NSM, part-time), and 3 full-time for the ministry of Church-Related Community Work.

There have 4 students successfully completing their courses and they have all received a call to a pastorate or CRCW project. They will receive their leaving Certificates at the annual college service in September, affirming recommendation for ordination.

Seven AALP students began their two-year course this year. These students are gradually being invited to integrate into other aspects of the life of the college to offer them further benefit in their courses (eg the College Away Day for ministerial students).

During the year all members of academic staff have served the wider church by the leading of worship, tutoring of courses and serving on national and synod committees. They contribute to international and national conferences and publications. These activities, together with work on the objects of the College, have kept Northern College in the forefront of denominational awareness within the United Reformed Church, the British Province of the Moravian Church, the Congregational Federation and the Methodist Church.

The Governors have continued to be involved in discussions with The United Reformed Church concerning the future provision of education and training throughout the denomination. It has not proved possible to consolidate the work of the two English URC colleges, but Northern College have taken robust steps to update our own strategy and broaden our work. The AALP course is a good example of the success of this strategy, and the numbers are increasing for the coming year.

Since the Covid lockdowns, decisions have been taken by the College and, collaboratively, with LKC to make good use of the technology learned through the crises to increase availability of courses to students, and to increase course choices. The weekend part-time programme continues to be taught by Zoom across six academic weekends for all LKC students, whilst the Northern College students have, in addition, three on-site residential weekends to support their personal development and preparation for ministry. The full-time mid-week course has resumed on-site teaching, with the exception of the Biblical languages and one level 5 module which continue as Zoom-taught.

The AALP course is a combination of two (and in future three) residential weekends per year, with nine or ten sessions by Zoom in the evenings. The needs of working students were all taken into consideration.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

PRINCIPLE RISKS AND UNCERTAINTIES

Funding arrangements

The College's funding is a mixture of fee income from the churches which sponsor students, income from the College's own investments and subscriptions and donations. The main strategy of the College is to maximise income through the work of FRC and to apply the resources so generated to develop the College in accordance with its object.

The College works with the United Reformed Church, and other denominations where applicable, to ensure that the costs of student funding are met in full wherever possible. Regular dialogue and a shared sense of mission help to mitigate the risk.

The United Reformed Church has maintained contact with Northern College to ensure the college's funding needs are met by the input of additional funding.

Staff pension schemes

The College is a participating employer in the URC's ministers' and lay staff's pension schemes. Following the year end the Governors embarked on a consultation with staff regarding the URC's proposed closure of these schemes and the introduction of new staff pension arrangements.

Investment performance against objectives

The performance of the investment portfolios has continued to be reviewed by FRC on behalf of the Governors and met expectations. The markets have been steady through the financial year which has resulted in a positive movement on investments for the period, and a loss on investment of £819,845 (2021: gain of £1,100,146).

Investment performance continues to be a key risk especially considering market fluctuations from Brexit, Covid-19 and other world events. These will be monitored closely. Brewin Dolphin's representative has been invited to additional meetings to assist FRC in monitoring income.

Covid-19-Related Risks

The College has reported, over the last two years, on the Covid-19-related risks which have been much reduced in the last year. Governors and FRC continue to monitor these and are ready to adapt or introduce appropriate measures as required.

LKHET

LKHET's business subsidiary (Luther King House Accommodation and Conference Services) has had a much more successful year and a lower level of loan from Northern College has been necessary in this financial year. The impact of the huge increases in the cost of electricity and gas has not yet become fully apparent but will become an increasing problem. Northern College continues to have discussions with LKHET and Northern Baptist College to continue to monitor the business's needs.

- The recruitment of undergraduate students has been poor for two years resulting in low fee income, with the most significant issue being the fall in the number of independent students who have applied to join the undergraduate course, although applications for the new academic year are more buoyant. We are not yet sure whether this fall in numbers is a general decline, or whether this represents a Covid knock-on situation in the sense that people do not feel able to take on the responsibility for significant fees. The effect of the poor student numbers is that the business, despite the about-turn,

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

cannot fully subsidise the educational losses. Mitigation has been taking place through increased marketing, much-improved social media presence and the "taster" weekend run by Northern College. The situation in respect of Northern College students has improved. (See above on academic teaching). The residential weekends for the part-time students have proved successful, with staff having more time overall to spend offering tutorial and training support. These actions will take some time to bear the fullest fruit, but there has already been a good upturn in applications/acceptances from independent students for the coming academic year.

Educational Risk

- Manchester University, is now only validating a few MA students who cannot be transferred to new validators. The majority of students are now with Durham University under its Common Awards scheme. The college believes students are benefitting from LKC being part of a wide-spread network of theological training for ministry with a validator and department specifically constituted for that purpose.
- LKC has now taught the Common Awards programme for two years and it has proved of benefit to Northern College students. This programme was prepared for those entering ministry across a number of denominations and the administrators of the programme are much more sensitive to the needs of ministerial students than a large secular university.

PUBLIC BENEFIT STATEMENT

The Governors have taken into account the Charity Commission guidance on public benefit and believe that the activities of the College are in line with that guidance.

The College provides university-validated courses of theological Christian education for those training for Ministry of Word and Sacrament, and of Church-Related Community Work.

Those training for accredited ministries are seldom able to use their education to advance their own material interests; their whole reason for entering training is to respond to the perceived call of God upon their lives to serve the needs of local congregations and communities. All students of the College begin this service in training placements throughout their course of training. Members of the College staff also assist existing ministers in 'Continuing Ministerial Development' by offering study facilities and tuition, including for the ministers' sabbatical renewal, in-service training, and in work towards higher degrees in contextual theology which by its very nature involves issues of church community development and service.

The Academic Staff of the College also contribute to the development of lay service and ministry across the United Reformed Church and other denominations by offering and supporting training events at venues across England and Wales. By increasing the number of Academic Staff, the College has further been able to contribute to the work of the wider Church.

The new AALP course is further benefit the people of the churches both directly (for those receiving training) and indirectly (within the churches where worship leading will be carried out).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial policy

The aim of the Governors is to finance the general activities of the College from fees paid for tuition, investment income and subscriptions and donations. If a shortfall does occur, it is covered by a transfer from the accumulated income. The Governors monitor the position carefully. The attached accounts have been prepared in accordance with the recommendations of the Statement of Recommended Practice for Charities issued by the Charities Commission.

The College's net outgoing resources of £79,421 for the year (2021: £56,946 outgoing) as set out in the Statement of Financial Activities (SOFA) were as follows:

	2022	2021
	£	£
Investment income	134,409	136,823
Legacies	75	70
Operating (deficit)	<u>(213,905)</u>	<u>(193,839)</u>
	<u>(79,421)</u>	<u>(56,946)</u>
(Losses) gains on investment assets	<u>(819,845)</u>	<u>1,100,146</u>
Net movement in funds	<u>(899,266)</u>	<u>1,043,200</u>

The Governors are confident that there are sufficient funds available from ongoing activities and accumulated income for the College to meet its financial commitments for the foreseeable future but will continue to monitor this situation closely.

Reserves policy

The Governors aim to achieve a reserves status sufficient to generate income to cover the expenditure required to continue the education of the current students over the remainder of their courses. The maximum course length is normally, at the present time, four years and the current annual expenditure is £562,670 (2021: £537,208). Governors estimate that the level of reserves required to generate a substantial level of income are c. £4,935,000. Such a level of reserves would also cover the amounts needed to cover the costs of winding up the charity. Individual funds reserves policies are detailed in the accounting policies in note 1.

Notes 15 to 18 to the financial statements show the assets and liabilities attributable to the various funds by type and describe the various restricted funds of the College and summarises the year's movements on each fund.

At 31st August 2022 the charity holds £6,827,452 (2021: £7,726,718) in reserves, of which £25,564 (2021: £32,196) are restricted funds and £319,266 (2021: £322,365) are endowment funds. A further £401,463 (2021: £412,237) are represented by tangible fixed assets leaving £6,081,159 (2021: £6,959,920) in free reserves. FRC and the Board of Governors keep the reserve policy under review. This brings further clarity in terms of monies that can be utilised in the outworking of the Development Plan.

The Governors' policy is, therefore, to continue to maintain reserves to an appropriate level by means of annual operating surpluses and judicious management of the investment assets.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

There have been significant challenges over the last two years, so that the financial relationship with LKHET is being robustly reviewed with regular meetings and consideration by both the NoCo Board and the LKHET Board. The URC is also reviewing its funding model in relation to the Colleges and this will become clearer during the course of the next year. Northern College has significant reserves, as noted above, and we are confident that we are in a position to respond to such changes. In addition, once these situations and relationships are clearer we will be in a position better to update the Reserves Policy which is kept under regular review.

Investment policy and objectives

The main objective for the funds of the College is to maintain future income constant in real terms. Prior to the review of funds in the year, the objective for funds in the Whalley Range Fund was to achieve capital appreciation. Following completion of the review, the investment policy will now be reconsidered and revised as appropriate.

The Governors' ethical investment policy, based on the recommendations of the United Reformed Church's advisory group, is not to invest in:-

- a) companies directly engaged in the manufacture or supply of weapons of destruction
- b) companies where a significant part of the business is in the supply of alcoholic drinks or tobacco products or military equipment (other than weapons of destruction); or the provision of gambling facilities; or the publication or distribution of pornography
- c) fossil fuel companies that are not compliant with the Paris 2015 recommendations for carbon emissions.

We will deem 'significant' to mean where the share of turnover derived from the activity concerned is more than around 10-20% of the company's total turnover.

In addition to the criteria listed the URC's investment bodies are encouraged to avoid investment in companies whose managed practices are deemed to be unacceptable or whose operations are deemed to:

- contribute to the oppressive nature of regimes which are guilty of gross human rights violations;
- contribute to a harmful impact on the social or natural environment;
- harm the society in which they operate more than they benefit it;
- promote injustice

Normally, the value of no individual equity investment should be more than 7.5% of the value in equities in both funds or 10% in either fund.

Brewin Dolphin manage the investments with full discretionary powers. The investments of the funds other than the Whalley Range Fund are held in a pooled fund for more effective management.

The Governors' policy is, therefore, to continue to maintain reserves to that level by means of annual operating surpluses and judicious management of the investment assets.

Arrangements for setting pay and remuneration of key management personnel

The Principal is the only remunerated member of the key management personnel team. Pay is reviewed annually by FRC and approved by the Governors. Mission Council of the URC Trust set the level of ministerial stipend each year. FRC use the level of stipend as a benchmark in setting the salary of the Principal.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2022

FUTURE PLANS

The United Reformed Church looks to Northern College, Westminster College, Cambridge and the Scottish College to train ministers of Word and Sacraments and of church-related community work, as well as lay people. To support this work, Northern College intends:

- to continue to work in existing relationships within the United Reformed Church's whole learning environment, which includes not only the colleges but also lay training and continuing ministerial development offered through the Synods of the church;
- to continue to deliver theological education and training for ministerial and lay students;
- to work with LKHET in developing its university-validation relationship;
- to continue to offer support to students and their families;
- to develop the lay training, both through the AALP course and beyond; and
- to build further ecumenical relationships.

The combination of Zoom and on-site training (as set out above) will continue as it has proved popular with both Northern College and independent students, cutting down travel and travel costs (though the travel costs for Northern College students are refundable). This will continue, though we will keep under review the nature of the provision, and which modes of provision are appropriate to particular courses and particular cohorts of students on different pathways of training. The College Governors will also continue to monitor what financial support maybe offered to attract further lay students (or ministers doing further studies) into Northern College and LKC.

Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King House and the other colleges.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Charities Act 2011 requires the Governors as the Trustees of the College to prepare financial statements for each financial year which give a true and fair view of the College's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Governors should follow best practice and

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the College at any time, and to enable them as Trustees to ensure that the financial statements comply with charity law. The Governors are also responsible for safeguarding the College's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Willie Duncan
Treasurer
9 December 2022

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of the Northern College (United Reformed and Congregational) "the charity" for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2022

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. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2022

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the Directors and reviewed Board meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

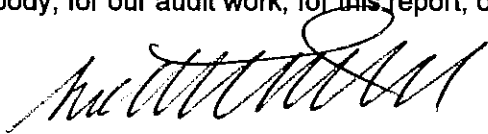
Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)
YEAR ENDED 31 AUGUST 2022

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Sue Hutchinson FCCA
Statutory Auditor

Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

One Express
1 George Leigh Street
Manchester
M4 5DL

2 February 2023
Date

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
INCOMING RESOURCES						
Incoming resources from generating funds:						
Voluntary income	2	1,837	-	-	1,837	2,190
Investment income	3	133,021	1,388	-	134,409	136,823
Incoming resources from charitable activities	4	352,515	-	-	352,515	341,249
TOTAL INCOMING RESOURCES		<u>487,373</u>	<u>1,388</u>	<u>-</u>	<u>488,761</u>	<u>480,262</u>
RESOURCES EXPENDED						
Raising funds	5	(27,218)	-	-	(27,218)	(27,352)
Charitable Activities	6	(533,254)	(7,710)	-	(540,964)	(509,856)
TOTAL RESOURCES EXPENDED		<u>(560,472)</u>	<u>(7,710)</u>	<u>-</u>	<u>(568,182)</u>	<u>(537,208)</u>
NET (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		<u>(73,099)</u>	<u>(6,322)</u>	<u>-</u>	<u>(79,421)</u>	<u>(56,946)</u>
OTHER RECOGNISED GAINS AND LOSSES						
(Losses) / gains on investment assets		(816,436)	(310)	(3,099)	(819,845)	1,100,146
TRANSFERS BETWEEN FUNDS		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		(889,535)	(6,632)	(3,099)	(899,266)	1,043,200
RECONCILIATION OF FUNDS						
Total funds brought forward		7,372,157	32,196	322,365	7,726,718	6,683,518
TOTAL FUNDS CARRIED FORWARD		<u>6,482,622</u>	<u>25,564</u>	<u>319,266</u>	<u>6,827,452</u>	<u>7,726,718</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.
All of the above amounts relate to continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021
		£	£	£
FIXED ASSETS				
Tangible assets	11	401,463		412,237
Investments	12	5,748,986		6,612,962
		<u>6,150,449</u>		<u>7,025,199</u>
CURRENT ASSETS				
Debtors	13	228,761		282,715
Cash at bank and in hand		475,590		437,150
		<u>704,351</u>		<u>719,865</u>
CREDITORS: Amounts falling due within one year	14	<u>(27,348)</u>		<u>(18,346)</u>
NET CURRENT ASSETS			677,003	701,519
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,827,452</u>	<u>7,726,718</u>
NET ASSETS			<u>6,827,452</u>	<u>7,726,718</u>
FUNDS				
Endowment funds	15	319,266		322,365
Restricted income funds	16	25,564		32,196
Unrestricted income funds	17	6,482,622		7,372,157
TOTAL FUNDS			<u>6,827,452</u>	<u>7,726,718</u>

The financial statements on pages 16 to 30 were approved by the Governors and authorised for issue on the 9 December 2022 and are signed on their behalf by:



Rev'd John R Grundy
President



Mr Willie Duncan
Treasurer

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Net cash provided by operating activities	219,703	263,622
<i>Net cash used in investing activities</i>		
Dividends and interest from investments	134,409	136,823
Acquisition of other investments	(793,020)	(1,892,390)
Disposal of other investments	477,348	1,267,291
Net cash provided by investing activities	(181,263)	(488,276)
INCREASE / (DECREASE) IN CASH	38,440	(224,654)
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	437,150	661,804
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	475,590	437,150

RECONCILIATION OF NET OUTGOING RESOURCES BEFORE TRANSFERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net (outgoing) resources before transfers	(79,421)	(56,946)
Dividends and interest from investments	(134,409)	(136,823)
Realised investment gains	359,803	572,581
Depreciation	10,774	10,774
Decrease / (increase) in debtors	53,954	(126,298)
Increase in creditors	9,002	334
Net cash provided by operating activities	219,703	263,622

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Northern College (United Reformed and Congregational) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Accounting convention

The financial statements have been prepared on an accrual's basis under the historical cost convention and in accordance with applicable accounting standards. The accounts are prepared in pounds sterling.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties on the charity's ability to continue as a going concern. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The college will continue to respond to the needs of students, staff and the wider church and to monitor all situations affected by Covid-19. Some teaching has continued by Zoom, and there are contingency plans for returning to Zoom for those classes which are now meeting on site should the need arise. FRC and Governors will meet in a pattern that is partly Zoom and partly on site, but we could resume Zoom meetings if necessary. Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King Centre and the other colleges, as well as with the wider church as requests for training pick up again.

Judgements and estimates

Where required the Governors make judgements, estimates and assumptions that affect amounts reported in the financial statements. However, the nature of estimation means that actual outcomes could differ from those estimates. The only significant judgements that has had a material effect on the amounts recognised in the financial statements is the allocation of the investment value across the funds of the charity.

Income from charitable activities

Incoming resources from charitable activity comprises mainly tuition fee income. Tuition fees are credited to income in the financial year to which they relate.

Voluntary income

Donations under gift aid, together with the associated income tax recovery, are recognised in the income when the donation is received.

Legacies are included as income on receipt.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (*continued*)

Awards and grants are credited to income in the financial year to which they relate.

Fixed assets

Land and buildings have been included in the financial statements at cost.

Depreciation is charged at the following rates:

Buildings	2% on cost
Fixtures & Fittings	33.3% on written down value

Items over £1,000 are capitalised.

Investment income

Dividends are credited to the statement of financial activities when they are receivable. Investment income, realised and unrealised gains on the collective fund is allocated in line with the relative size of the fund. Credit is taken for interest in the financial year to which it relates.

Investment assets

Investment assets are stated at the market value. Market value is based on middle market value.

Pension costs

During the year, the College participated in the United Reformed Church Ministers Pension Fund and the URC Staff Pension Scheme, all multi-employer defined benefit schemes whose assets are managed independently of the College and the Pensions Trust Growth Plan a defined contribution pension scheme. The College is unable to identify its share of the underlying assets and liabilities and consequently the funds are all treated as defined contribution schemes. The amount charged in respect of the pension costs, the contributions payable in the year are included within the appropriate expenditure heading in the Statement of Financial Activities

Allocation of costs

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis. Management and administration costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable, and consistent basis. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the College's Governors, and all the costs of complying with the constitutional and statutory requirements, such as costs of Governor and Committee meetings and of preparing the statutory accounts and satisfying public accountability.

Debtors

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of 31 days or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Reserves

The policies for restricted endowment income funds are as follows:

Bursary Fund including Churches of Christ

The Governors use the income of the Bursary Fund for student support in conjunction with grants from sponsoring churches

Prize Fund

The income from this fund is used to award prizes to the students

Library Fund

The income from this fund is applied to provide library facilities. Transfers are also made from the general funds to meet these costs.

Financial Instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. VOLUNTARY INCOME

	Unrestricted funds	Total funds 2022
	£	£
Donations	1,762	1,762
Legacies	75	75
	<u>1,837</u>	<u>1,837</u>
	Unrestricted funds	Total funds 2021
	£	£
Donations	2,120	2,120
Legacies	70	70
	<u>2,190</u>	<u>2,190</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Bank interest receivable	889	-	889
Other interest receivable	2,370	-	2,370
Other investment income	129,762	1,388	131,150
	<u>133,021</u>	<u>1,388</u>	<u>134,409</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bank interest receivable	242	-	242
Other interest receivable	1,631	-	1,631
Other investment income	133,183	1,767	134,950
	<u>135,056</u>	<u>1,767</u>	<u>136,823</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
URC student and RCL funding	337,098	330,146
Moravian student fees	4,733	4,933
URC lay preaching	7,235	-
Other income	3,449	6,170
	<u>352,515</u>	<u>341,249</u>

5. COST OF RAISING FUNDS

	Unrestricted funds £	Total funds 2022 £
Investment management costs	27,218	27,352
	<u>27,218</u>	<u>27,352</u>

	Unrestricted funds £	Total funds 2021 £
Investment management costs	27,352	27,352
	<u>27,352</u>	<u>27,352</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £
Training for mission and ministry	353,393	-	353,393
Support costs	174,349	7,710	182,059
	<u>527,742</u>	<u>7,710</u>	<u>536,452</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Training for mission and ministry	337,548	-	337,548
Support costs	165,248	7,060	172,308
	<u>502,796</u>	<u>7,060</u>	<u>509,856</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

		Activities undertaken directly £	Governance & support costs £	Total Funds 2022 £
Training for mission and ministry		353,393	173,586	526,979
Governance costs	8	-	13,985	13,985
		<u>353,393</u>	<u>187,571</u>	<u>540,964</u>
		Activities undertaken directly £	Governance & support costs £	Total Funds 2021 £
Training for mission and ministry		337,548	162,238	499,786
Governance costs	8	-	10,070	10,070
		<u>337,548</u>	<u>172,308</u>	<u>509,856</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

8. GOVERNANCE & SUPPORT COSTS

	Unrestricted Funds £	Total Funds 2022 £
Admin staff costs and expenses	54,881	54,881
Treasurer and secretary expenses	665	665
College houses expenses and rates	4,000	4,000
Staff housing and relocation costs	24,250	24,250
Library block charge	34,000	34,000
Principal's emergency fund	1,205	1,205
Prizes, bursaries and scholarship	19,273	19,273
Telephone costs	3,657	3,657
Printing, postage and stationery	2,264	2,264
IT costs / maintenance	5,327	5,327
Advertising costs, inc website	13,021	13,021
Payroll processing costs	269	269
Depreciation	10,774	10,774
<i>Governance Costs:</i>		
Audit and accountancy fees	8,658	8,658
Legal and professional fees	663	663
Costs of Trustees' meetings	4,392	4,392
Other financial costs	272	272
	<hr/> 187,571 <hr/>	<hr/> 187,571 <hr/>
	Unrestricted Funds £	Total Funds 2021 £
Admin staff costs and expenses	49,149	49,149
Treasurer and secretary expenses	1,000	1,000
College houses expenses and rates	3,640	3,640
Staff housing and relocation costs	27,747	27,747
Library block charge	34,000	34,000
Principal's emergency fund	1,560	1,560
Prizes, bursaries and scholarship	19,060	19,060
Telephone costs	4,274	4,274
Printing, postage and stationery	1,232	1,232
IT costs / maintenance	8,509	8,509
Advertising costs	992	992
Payroll processing costs	301	301
Depreciation	10,774	10,774
<i>Governance Costs:</i>		
Audit and accountancy fees	8,207	8,207
Legal and professional fees	343	343
Costs of Trustees' meetings	1,159	1,159
Other financial costs	361	361
	<hr/> 172,308 <hr/>	<hr/> 172,308 <hr/>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2022	2021
	£	£
Auditors' remuneration:		
• audit of the financial statements	7,270	7,052
• preparation of the financial statements	1,388	1,155
	<u> </u>	<u> </u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	219,793	202,798
Social security costs	18,287	19,657
Pension costs	64,222	49,027
	<u> </u>	<u> </u>
	302,302	271,482

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and actual headcount (HC), was as follows:

	2022	2022	2021	2021
	FTE	HC	FTE	HC
	No.	No.	No.	No.
Teaching and related staff	5	5	6	6
Administration staff	1	1	1	1

No employee received remuneration of more than £60,000 during the year (2021 - £60,000).

13 Trustees were reimbursed expenses totalling £1,490 (2021: 1 trustee £11) in relation to travel expenses. The Principal (a Trustee) was reimbursed £2,848 (2021: £667). These expenses were in relation to the role of Principal.

Key management personnel comprise the Trustees and the Principal. The Principal is the only Trustee remunerated by the College. This is in relation to the role of Principal. No remuneration was paid in connection with her role as Trustee. Remuneration amounted to £52,986 (2021: £50,660). Employers' pension contributions included in this total, amounted to £9,295 (2021: £7,651).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & Fittings £	Total £
COST			
At 1 September 2021	465,000	20,058	485,058
Additions	-	-	-
At 31 August 2022	<u>465,000</u>	<u>20,058</u>	<u>485,058</u>
DEPRECIATION			
At 1 September 2021	54,405	18,416	72,821
Charge for the year	9,300	1,474	10,774
Eliminated on disposals	-	-	-
At 31 August 2022	<u>63,705</u>	<u>19,890</u>	<u>83,595</u>
NET BOOK VALUE			
At 31 August 2022	<u>401,295</u>	<u>168</u>	<u>401,463</u>
At 31 August 2021	<u>410,595</u>	<u>1,642</u>	<u>412,237</u>

12. INVESTMENTS

Movement in market value

	2022 £	2021 £
Market value at 1 September 2021	6,612,962	5,460,298
Acquisitions at cost	793,020	1,892,390
Disposals at carrying value	(477,348)	(1,267,291)
(Losses) / gains on revaluation	(1,179,648)	527,565
Market value at 31 August 2022	<u>5,748,986</u>	<u>6,612,962</u>

All investments above are held at market valuation.

Analysis of investments at 31 August 2022 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Listed investments					
UK Quoted fixed interest Securities	<u>5,708,823</u>	<u>3,647</u>	<u>36,516</u>	<u>5,748,986</u>	<u>6,612,962</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

13. DEBTORS

	2022	2021
	£	£
Trade debtors	6,933	9,981
Loans to Luther King House Educational Trust	213,331	213,331
Prepayments and Accrued Income	8,498	59,403
	<u>228,761</u>	<u>282,715</u>

The Trustees consider that debtors totalling £213,331 will be repayable after one year

14. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Taxation and social security	5,403	5,139
Accruals and deferred income	16,433	13,207
Pension liability	5,512	-
	<u>27,348</u>	<u>18,346</u>

15. ENDOWMENT FUNDS

	Balance at 1 Sep 2021 £	Transfers £	Gains and (losses) £	Balance at 31 Aug 2022 £
Permanent endowments				
Bursary Fund	250,518	-	(2,408)	248,110
Prize Fund	11,120	-	(107)	11,013
Library Fund	60,727	-	(584)	60,143
	<u>322,365</u>	<u>-</u>	<u>(3,099)</u>	<u>319,266</u>

	Balance at 1 Sep 2020 £	Transfers £	Gains and (losses) £	Balance at 31 Aug 2021 £
Permanent endowments				
Bursary Fund	246,584	-	3,934	250,518
Prize Fund	10,946	-	174	11,120
Library Fund	59,773	-	954	60,727
	<u>317,303</u>	<u>-</u>	<u>5,062</u>	<u>322,365</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2021	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2022
	£	£	£	£	£
Bursary Fund	29,383	1,095	(7,210)	(282)	22,986
Prize Fund	-	44	(500)	-	(456)
Library Fund	2,813	249	-	(28)	3,034
	<u>32,196</u>	<u>1,388</u>	<u>(7,710)</u>	<u>(310)</u>	<u>25,564</u>

	Balance at 1 Sep 2020	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2021
	£	£	£	£	£
Bursary Fund	34,098	1,401	(6,660)	544	29,383
Prize Fund	-	55	(400)	345	-
Library Fund	2,463	311	-	39	2,813
	<u>36,561</u>	<u>1,767</u>	<u>(7,060)</u>	<u>928</u>	<u>32,196</u>

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2021	Incoming resources	Outgoing resources and transfers	Gains, (losses) and transfers	Balance at 31 Aug 2022
	£	£	£	£	£
General Funds	<u>7,372,157</u>	<u>487,372</u>	<u>(560,473)</u>	<u>(816,434)</u>	<u>6,482,622</u>

	Balance at 1 Sep 2020	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2021
	£	£	£	£	£
General Funds	<u>6,329,654</u>	<u>478,495</u>	<u>(530,148)</u>	<u>1,094,156</u>	<u>7,372,157</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2022 Total £
Tangible fixed assets	401,463	-	-	401,463
Investments	5,708,823	3,647	36,516	5,748,986
Net current assets	372,336	21,917	282,750	677,003
	<u>6,482,622</u>	<u>25,564</u>	<u>319,266</u>	<u>6,827,452</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2021 Total £
Tangible fixed assets	412,237	-	-	412,237
Investments	6,562,126	5,252	45,584	6,612,962
Net current assets	397,794	26,944	276,781	701,519
	<u>7,372,157</u>	<u>32,196</u>	<u>322,365</u>	<u>7,726,718</u>

19. RELATED PARTY TRANSACTIONS

Details of transactions with Trustees are provided at note 10.

The College is a founding, stake holding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. Rosalind Selby, the Principal and a member of key management personnel, is the college's nominated governor and trustee on the LKHET Board. At each meeting of the LKHET Board and the NoCo Board, the Principal's conflict of interest is declared and noted. During the previous year, the following transactions took place between LKHET and the College: Loan advance of £75,000. The balance outstanding to the College at the year end was £213,331 (2021: £213,331).

20. CONTINGENT LIABILITIES

The Charity participated in The Pension Trust's Growth Plan defined benefit pension plan (see note 1 for further details). On 31 December 2021 the only remaining member of Northern College staff remaining in the pension scheme retired from the College's employment, leaving no employees participating in the pension scheme. This triggered Northern College's share of the liability in the scheme to crystallise. The College applied for a one year grace period during which other employees might be invited to join the scheme in order that the liability would not crystallise. However since 31 December 2021 the College, together with other URC participating

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2022

employers has commenced a consultation with staff on closure of the TPT pension schemes and commencement of a new defined contribution scheme. Accordingly the College will be settling its share of the Growth plan deficit estimated at £5,512.

21. Analysis of changes in Net Debt

	At 1 Sept 2021 £	Cashflows £	At 31 Aug 2022 £
Cash at bank and in hand	<u>437,150</u>	<u>38,440</u>	<u>475,590</u>

	At 1 Sept 2020 £	Cashflows £	At 31 Aug 2021 £
Cash at bank and in hand	<u>661,804</u>	<u>(224,654)</u>	<u>437,150</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

England & Wales - Charity number 529253

Accounts

**NORTHERN COLLEGE (UNITED REFORMED AND
CONGREGATIONAL)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2021**

Charity Number 529253

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2021

CONTENTS	PAGE
Trustees Annual Report	1
Independent Auditor's Report to the Trustees	13
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

TRUSTEES ANNUAL REPORT

This report fulfils the requirements of the Charities Act 2011 for a Trustees' Annual Report.

Governors and Charity Trustees

The College is governed by an unincorporated Board of Governors who are also the Charity Trustees. This body includes ten nominated Governors, five co-opted Governors and the Principal. The nominated Governors are appointed by the Council of the Congregational Federation, the General Assembly of The United Reformed Church and the students of the College. The Congregational Federation and The United Reformed Church appoint for a term of four years and the students of the College for one year. Co-opted Governors are appointed by the Governors for a term of four years.

The Governors have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Nominated by the United Reformed Church (6)

Revd Mark A Bates (S)

Mrs Rosie Buxton

Mrs Sheila M Davies (F), (S) – ceased 2nd July 2021

Mr Willie Duncan (F)

Mr John R Grundy – commenced 13th July 2021

Mrs Margaret Marshall – commenced 13th July 2021

Revd Raymond S Singh

Nominated by the Congregational Federation (2)

Revd Oliver Kinchin (S)

Revd Alan Kennedy

Nominated by the students of the College (2)

Mr Mark Rodgers – commenced 9th April 2021

Mrs Felicity Barker (née Tunnard)

Mr Jonathan Hill – ceased 8th April 2021

Co-opted Governors (4 + 1 vacancy)

Revd Dr Tessa Henry-Robinson – commenced 12th April 2021

Revd David A Herbert

Revd Robert Hopcroft

Revd Daleen ten Cate – commenced 15th February 2021

Ex Officio Governor (1)

Revd Dr Rosalind M Selby (Principal) (F)

Membership of Committees is shown by the following letters: - (F) Finance and Resources Committee (formerly the Finance Advisory Group), and (S) Standing Committee.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

OFFICERS:

President Mrs S M Davies (ceased 2nd July 2021)
Revd J R Grundy (from 13th July 2021)

Secretary Revd B S Jolly
Treasurer Mr W Duncan
Principal Revd Dr R M Selby

Principal Address Luther King House
Brighton Grove
Rusholme
Manchester
M14 5JP

Registered Charity Number 529253

Custodian Trustee The Northern College Trust Limited

ADVISERS:

Auditors Beever and Struthers
St George's House
215-219 Chester Road
Manchester M15 4JE

Sollcitors Veale Wasbrough Vizards LLP
Second Floor, 3 Brindley Place,
Birmingham B1 2JB

Bankers Triodos Bank
Deanery Road
Bristol BS1 5AS

Investment Advisors Brewin Dolphin
10 Wellington Place
Leeds LS1 4AN

Insurance Brokers **Edwards Insurance Brokers:**
Congregational Integra Insurance Solutions Ltd
Currer House
Currer Street
Bradford
West Yorkshire BD1 5BA

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

The Northern College Board of Governors present their annual report for the year ended 31 August 2021 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

The College was founded in 1843 and is registered with the Charity Commission under charity number 529253 dated 25th May 1961.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed under a scheme adopted 9th April 2001 (amended by resolution dated 14th July 2003) which replaced earlier schemes.

Governing body

The Board of Governors includes members nominated by the United Reformed Church, the Congregational Federation and students of the College as well as Governors co-opted by the Board; the Principal is an ex officio Governor. (See page 1.)

Recruitment and training of Governors

Governors are appointed by the governing body on the basis of nominations received from The United Reformed Church, Congregational Federation and Student Body. A proportion is co-opted by the governing body itself. Through consultation with the nominating bodies the Board seeks to recruit persons with appropriate backgrounds that will help to maintain a balance of skills and experience within the governing body. All new Governors receive a pack of information which contains policies and other documents relevant to the governance and working of the College; in addition, they receive induction training from the Secretary or the Principal. Each year the College Governors normally have an extended meeting which, apart from essential business, is largely devoted to discussing with College staff, and others, the core work and the wider role of the College. In addition, time is regularly set aside at Board meetings for the discussion of policies and the strategic direction of the development of the College in accordance with its charitable objects.

Organisational management

The College Governors, as Trustees of the charity, are legally responsible for the overall management and control of the College and meet five times a year. They are supported by a Finance and Resources Committee (FRC) convened by the Treasurer which includes both Governors and other, co-opted, members. The Board of Governors takes responsibility for the academic and other educational standards of the College, and for the support of the teaching staff. FRC normally meets in advance of Governors' meetings in order to make recommendations and reports to the governing body. The day to day running of the College is delegated to the Principal. The standing committee is a group of three governors who may be called upon to deal with certain Human Resource and grievance procedures and as such meet only on an ad hoc basis when required.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

Group structure and relationships

The Northern College Trust Limited is the custodian Trustee of the College.

The College is a founding, stakeholding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. The Principal is the college's nominated governor and trustee on the LKHET Board.

The financial relationships between other colleges, LKHET and Northern College have been kept under review during the Covid-19 crisis. A number of meetings have been held by Zoom between the Principals of the college and governors/committee members with financial expertise to monitor the situation.

During the year, LKHET underwent a rebranding exercise and its outward-facing identity is now branded as Luther King Centre for Theology and Ministry.

Risk management and assessment

The Board of Governors is responsible for consideration of ongoing risks faced by the College. The detailed work is delegated to FRC which has identified current risks and risk levels and taken steps to establish systems that will prevent or mitigate those risks. The risk policy is reviewed annually. (See below on the management of significant risks this year).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects and principle activities

The object of the College is to advance the Christian religion in accordance with the tenets of the churches by providing education and training of men and women:

- candidates for the ministries of the churches
- ministers of, and lay people in, the churches
- ministers and lay persons from other denominations and in such other way as the Governors think fit.

The College's 'core business' is the fulfilment of the first part of this object, to provide education and training for ordination of stipendiary- and non-stipendiary Ministers of Word and Sacraments, and for commissioned ministry of Church-Related Community Work within the United Reformed Church and the Congregational Federation as appropriate. It fulfils this object in an ecumenical setting as a member of LKHET. Other aspects of the object are fulfilled by lay, and pre- and post-ordination/commissioning training offered to the wider United Reformed Church and Congregational Federation, and to other denominations (in particular the Moravian Church).

The charity also maintains a variety of endowments whose objects are: to award bursaries to those students who are in need; and to award prizes.

The Development Plan is reviewed annually by the Board of Governors; its purpose is to:

- set out the present situation and work of Northern College;
- reflect on how the College is working to its charitable objective; and
- to look at potential future developments such as staffing levels, key partnerships and wider outworking of the charitable objective, in particular the serving of the wider churches.

In addition to the regular review of the Development Plan, there is a meeting-by-meeting review of a rolling 'Action Plan' which distils the actions required to ensure the out-working of the Development Plan.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

Aims and Intended Impact

The aim, in collaboration with other colleges within LKHET, is to provide appropriate education and training for ministerial and ministry of church-related community work students and lay people, including practical experience within churches and a variety of other environments. A further aim is to provide resources, funded by sponsoring bodies and the College's assets, to enable the aims and objectives to be achieved.

Objectives for the year

The focus has been on the continued provision of education for our students, church and community placements at home and abroad, to attend to the personal development of students and to encourage theological maturity and growth overseen by a system of personal tutoring. During the academic year Northern College had 15 students.

The College will also continue to support and increase the benefit to the wider church as it seeks to fulfil its objectives. This is a significant step forward in the public benefit of this Charity. In particular, training has been provided to the churches on supporting leadership and preaching during times of trauma and crisis.

During the year, the College has begun work on an important training course for the United Reformed Church for the education of lay preachers for national accreditation by the denomination, thus further developing our benefit to the wider church to a considerable extent.

Strategies to achieve the year's objectives

Strategies in place included the annual review and assessment of the Principal and other members of the College staff. There is an ongoing five-year cycle of sabbaticals for academic staff in order to maintain academic staff competencies. In addition, there was further development of links with a number of Synods of the United Reformed Church and with the Moravian Church. Through the work of the Principal and all the Tutors, the College continues to offer skills and experience into the wider Church.

Grant-making policy

The College gives grants as permitted by its charitable scheme and objects to students of the College. Grants are given as: hardship monies (normally up to a sum of approximately £1,000pa, though we did make additional provision in the past year in view of exceptional circumstances) to support students through financial crises, and to develop the part of our charitable objectives which refers to the further training of existing ministers who wish to engage in post-graduate research.

Volunteers

The College's educational programme benefits considerably from voluntary inputs. These include Church and Community Placement Supervisors, members of Church Support Groups, Community Consultants and co-opted members of committees. Local church support is impossible to quantify, but in each academic year we estimate that between 45 and 55 ministers, CRCW consultants and lay people benefit students on their educational programmes (particularly through practical placements) and support the work of the charity through membership of committees.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

Operational performance of the College

During the year there have been 9 students for Stipendiary Ministry of Word and Sacrament (SM, 8 full-time and 1 part-time), 3 for Non-Stipendiary Ministry of Word and Sacrament (NSM, part-time), and 3 full-time for the ministry of Church-Related Community Work.

There has only been one completing student who has received a call to a pastorate and will receive a leaving Certificate at the annual college service in September, affirming recommendation for ordination.

During the year all members of academic staff have served the wider church by the leading of worship, tutoring of courses and serving on national and synod committees. They contribute to international and national conferences and publications. These activities, together with work on the objects of the College, have kept Northern College in the forefront of denominational awareness within the United Reformed Church, the British Province of the Moravian Church, the Congregational Federation and the Methodist Church. With one of the new members of staff on the Synod of the Church of England, our work is now becoming more widely known in the largest denomination in the country.

The Governors have continued to be involved in discussions with The United Reformed Church concerning the future provision of education and training throughout the denomination.

Educationally, as the Covid-19 crisis hit, all teaching was moved online with additional individual telephone or Zoom support. Validating university guidance was taken to ensure that students were not prejudiced in terms of the outcome of their qualifications. The library moved to a postal system. All government guidelines have been followed.

PRINCIPLE RISKS AND UNCERTAINTIES

Funding arrangements

The College's funding is a mixture of fee income from the churches which sponsor students, income from the College's own investments and subscriptions and donations. The main strategy of the College is to maximise income through the work of FRC and to apply the resources so generated to develop the College in accordance with its object.

The College works with the United Reformed Church, and other denominations where applicable, to ensure that the costs of student funding are met in full wherever possible. Regular dialogue and a shared sense of mission help to mitigate the risk.

The United Reformed Church has maintained contact with Northern College to ensure the college's funding needs are met by the input of additional funding.

Investment performance against objectives

The performance of the investment portfolios has continued to be reviewed by FRC on behalf of the Governors and met expectations. The markets have been steady through the financial year which has resulted in a positive movement on investments for the period, and a gain on investment of £1,100,146 (2020: £20,301).

Investment performance continues to be a key risk especially considering market fluctuations from Brexit, Covid-19 and other world events. These will be monitored closely. Brewin Dolphin's representative has been invited to additional meetings to assist FRC in monitoring income.

The College reported last year that Brewin Dolphin had not sold the holdings in Royal Dutch Shell when instructed to do so and, because the public reputation of the college was then at risk, had to be instructed to sell as soon as the mistake came to light; this was when the market

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

had fallen considerably. Compensation for this loss was negotiated and received during the year in the sum of £13,873.

Covid-19-Related Risks

This year, significant risk factors have been dealt with.

- The downturn in the investment markets in the previous year has been recouped to a large degree, but the Colleges investments have still been strictly monitored;
- LKHET: the commercial subsidiary had been affected by lockdown as it is dependent upon accommodation and conferencing income and had to close temporarily. The subsidiary is a large contributor to LKHET which has, therefore, also suffered a financial setback. The two denominational colleges who are part of the LKHET of which Northern College is one, have been called upon to offer short-term support:
 - A further deferral has been given on the outstanding repayment loan;
 - Payments due through the year will be paid 'up front' in September (office rental, block charges);
 - Additional monies received from The United Reformed Church to support the downturn in business were passed directly to LKHET (£10,000);
 - A loan of £100,000 was offered, of which £75,000 has been taken up so far.

The Northern Baptist College have made similar arrangements for the prepayment of the block charges, and have loaned £25,000, with a further £25,000 offered.

- Careful account was taken of Northern College's financial position FRC and the Board of Governors before these measures were agreed. Governors and FRC continue to monitor the financial position of LKHET as it affects Northern College.
- Educational: the situation of the students has been carefully monitored. Teaching for the academic year was completed by Zoom, and supportive arrangements were put in place for students' assignment preparation, including additional time and library books being made available online or posted out. All reviews were conducted by Zoom. Support has been offered to students by tutors in terms of their personal welfare and financial situations, assisted by the fact that two members of staff are acknowledged trauma specialists (one with psychological qualifications, the other with significant research and church experience).

Update on existing loans: The College has also used its investment ability to further the work of LKHET by providing two further loans. One loan made in 2007 for £70,000 is for an indefinite period on which interest is payable quarterly. The second loan was made in 2019 for £90,000 originally repayable by February 2023 but now by February 2025 due to the deferrals noted above.

Educational Risk

- Manchester University, is now only validating a few MA students who cannot be transferred to new validators. The majority of students are now with Durham University under its Common Awards scheme. The college believes this is resulting in the benefit to students of being part of a wide-spread network of theological training for ministry with a validator and department specifically constituted for that purpose.
- Covid-19 has brought significant educational risk to the students of Northern College, and a number of steps have been taken to mitigate this:
 - academic teaching has been by Zoom. Staff have received training and guidance on managing preparation, teaching sessions and assignments;
 - the formational programme was also by Zoom. Tutor groups happened at different times of the week to ease eye-strain of days/weekends with too much Zoom;
 - Pastoral support – tutor groups and one-to-one support;

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

- Much placement activity was carried out by Zoom and phone, and those activities that happened on site were monitored for the safety of students and participants;
- Online/phone work undertaken by students was guided by tutors and the College's "Placement Plan B" document to ensure their learning objectives were met;
- All staff have been equipped with the necessary IT equipment needed for teaching. Holiday entitlement has been carried over;
- Additional telephone support/safe on-site support has been offered to all students and staff, together with reminders that all students and ordained staff have access to the Ministerial Counselling Service. Alternatives will be offered to lay staff.

PUBLIC BENEFIT STATEMENT

The Governors have taken into account the Charity Commission guidance on public benefit and believe that the activities of the College are in line with that guidance.

The College provides university-validated courses of theological Christian education for those training for Ministry of Word and Sacrament, and of Church-Related Community Work.

Those training for accredited ministries are seldom able to use their education to advance their own material interests; their whole reason for entering training is to respond to the perceived call of God upon their lives to serve the needs of local congregations and communities. All students of the College begin this service in training placements throughout their course of training. Members of the College staff also assist existing ministers in 'Continuing Ministerial Development' by offering study facilities and tuition, including for the ministers' sabbatical renewal, in-service training, and in work towards higher degrees in contextual theology which by its very nature involves issues of church community development and service.

The Academic Staff of the College also contribute to the development of lay service and ministry across the United Reformed Church and other denominations by offering and supporting training events at venues across England and Wales. By increasing the number of Academic Staff, the College has further been able to contribute to the work of the wider Church.

The new nationally-accredited Lay Preaching course will further benefit the people of the churches both directly (for those receiving training) and indirectly (within the churches where worship leading will be carried out).

Additional courses have been put on during the Covid-19 crisis, and further are planned, to offer the trauma support expertise of two staff members into the wider church.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial policy

The aim of the Governors is to finance the general activities of the College from fees paid for tuition, investment income and subscriptions and donations. If a shortfall does occur, it is covered by a transfer from the accumulated income. The Governors monitor the position carefully. The attached accounts have been prepared in accordance with the recommendations of the Statement of Recommended Practice for Charities issued by the Charities Commission.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

The College's net outgoing resources of £56,946 for the year (2020: £61,641 outgoing) as set out in the Statement of Financial Activities (SOFA) were as follows:

	2021 £	2020 £
Investment income	136,823	138,489
Legacies	70	70
Operating (deficit)	<u>(193,839)</u>	<u>(200,200)</u>
	<u>(56,946)</u>	<u>(61,641)</u>
Gains on investment assets	<u>1,100,146</u>	<u>20,031</u>
Net movement in funds	<u>1,043,200</u>	<u>(41,340)</u>

The Governors are confident that there are sufficient funds available from ongoing activities and accumulated income for the College to meet its financial commitments for the foreseeable future but will continue to monitor this situation closely.

Reserves policy

The Governors aim to achieve a reserves status sufficient to generate income to cover the expenditure required to continue the education of the current students over the remainder of their courses. The maximum course length is normally, at the present time, four years and the current annual expenditure is £537,208 (2020: £579,300). Governors estimate that the level of reserves required to generate a substantial level of income are c. £4,935,000. Such a level of reserves would also cover the amounts needed to cover the costs of winding up the charity. Individual funds reserves policies are detailed in the accounting policies in note 1.

Notes 15 to 18 to the financial statements show the assets and liabilities attributable to the various funds by type and describe the various restricted funds of the College and summarises the year's movements on each fund.

At 31st August 2021 the charity holds £7,726,718 (2020: £6,683,518) in reserves, of which £32,196 (2020: £36,561) are restricted funds and £322,365 (2020: £317,303) are endowment funds. A further £412,237 (2020: £423,011) are represented by tangible fixed assets leaving £6,959,920 (2020: £5,906,643) in free reserves. FRC and the Board of Governors keep the reserve policy under review. This brings further clarity in terms of monies that can be utilised in the outworking of the Development Plan.

The Governors' policy is, therefore, to continue to maintain reserves to an appropriate level by means of annual operating surpluses and judicious management of the investment assets.

Investment policy and objectives

The main objective for the funds of the College is to maintain future income constant in real terms. Prior to the review of funds in the year, the objective for funds in the Whalley Range Fund was to achieve capital appreciation. Following completion of the review, the investment policy will now be reconsidered and revised as appropriate.

The Governors' ethical investment policy, based on the recommendations of the United Reformed Church's advisory group, is not to invest in:-

a) companies directly engaged in the manufacture or supply of weapons of destruction

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

- b) companies where a significant part of the business is in the supply of alcoholic drinks or tobacco products or military equipment (other than weapons of destruction); or the provision of gambling facilities; or the publication or distribution of pornography
- c) fossil fuel companies that are not compliant with the Paris 2015 recommendations for carbon emissions.

We will deem 'significant' to mean where the share of turnover derived from the activity concerned is more than around 10-20% of the company's total turnover.

In addition to the criteria listed the URC's investment bodies are encouraged to avoid investment in companies whose managed practices are deemed to be unacceptable or whose operations are deemed to:

- contribute to the oppressive nature of regimes which are guilty of gross human rights violations;
- contribute to a harmful impact on the social or natural environment;
- harm the society in which they operate more than they benefit it;
- promote injustice

Normally, the value of no individual equity investment should be more than 7.5% of the value in equities in both funds or 10% in either fund.

Brewin Dolphin manage the investments with full discretionary powers. The investments of the funds other than the Whalley Range Fund are held in a pooled fund for more effective management.

The Governors' policy is, therefore, to continue to maintain reserves to that level by means of annual operating surpluses and judicious management of the investment assets.

Arrangements for setting pay and remuneration of key management personnel

The Principal is the only remunerated member of the key management personnel team. Pay is reviewed annually by FRC and approved by the Governors. Mission Council of the URC Trust set the level of ministerial stipend each year. FRC use the level of stipend as a benchmark in setting the salary of the Principal.

FUTURE PLANS

The United Reformed Church looks to Northern College, Westminster College, Cambridge and the Scottish College to train ministers of Word and Sacraments and of church-related community work, as well as lay people. To support this work, Northern College intends:

- to continue developing existing and new working relationships within the United Reformed Church's whole learning environment, which includes not only the colleges but also lay training and continuing ministerial development offered through the Synods of the church;
- to continue to deliver theological education and training for ministerial and lay students;
- to work with LKHET in developing its university validation relationship;
- to continue to offer support to students and their families; and
- to build further ecumenical relationships.

With numbers of candidates for the ministries of the United Reformed Church falling over recent years, Northern College has entered into discussions with the denomination and a sister college about the consolidation of work in order to facilitate some financial savings whilst maintaining the high quality of training offered by both institutions. These discussions had stalled during the Covid-19 crisis, but are restarting in September 2021.

The teaching by Zoom has been attractive to students living at some distance from LKHET/NoCo. Academic teaching for weekend students will continue by Zoom for the coming year, but those students will attend for two block weekends in the year for the formational

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2021

programme and tutor support. Additional visits to students will be made by staff, together with Zoom meetings and phone contact. Full-time students will, once again, attend onsite but there are back-up plans for returning teaching to Zoom should the government reimpose Covid-19 restrictions.

Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King House and the other colleges.

TRUSTEES' RESPONSIBILITIES STATEMENT

The Charities Act 2011 requires the Governors as the Trustees of the College to prepare financial statements for each financial year which give a true and fair view of the College's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Governors should follow best practice and

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the College at any time, and to enable them as Trustees to ensure that the financial statements comply with charity law. The Governors are also responsible for safeguarding the College's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Willie Duncan
Treasurer
3 December 2021

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of the Northern College (United Reformed and Congregational) "the charity" for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity'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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2021

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. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and addressing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We obtained an understanding of laws and regulations that affect the Company, focusing on those that had a direct effect on the financial statements or that had a fundamental effect on its operations. Key laws and regulations that we identified included the Companies Act 2006 and tax legislation.
- We enquired of the Directors and reviewed Board meeting minutes for evidence of non-compliance with relevant laws and regulations.
- We enquired of the Directors about any incidences of fraud that had taken place during the accounting period.
- The risk of fraud and non-compliance with laws and regulations was discussed within the audit team and tests were planned and performed to address these risks.
- We enquired of the Directors about actual and potential litigation and claims.
- We performed analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2021

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Beever and Struthers

**Sue Hutchinson FCCA
Statutory Auditor**

**Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the
Companies Act 2006**

St George's House
215-219 Chester Road
Manchester M15 4JE

Date 17 December 2021

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
INCOMING RESOURCES						
Incoming resources from generating funds:						
Voluntary income	2	2,190	-	-	2,190	1,455
Investment income	3	135,056	1,767	-	136,823	138,489
Incoming resources from charitable activities	4	341,249	-	-	341,249	377,715
TOTAL INCOMING RESOURCES		<u>478,495</u>	<u>1,767</u>	-	<u>480,262</u>	<u>517,659</u>
RESOURCES EXPENDED						
Raising funds Charitable Activities	5	(27,352)	-	-	(27,352)	(23,682)
	6	(502,796)	(7,060)	-	(509,856)	(555,618)
TOTAL RESOURCES EXPENDED		<u>(530,148)</u>	<u>(7,060)</u>	-	<u>(537,208)</u>	<u>(579,300)</u>
NET (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		<u>(51,653)</u>	<u>(5,293)</u>	-	<u>(56,946)</u>	<u>(61,641)</u>
OTHER RECOGNISED GAINS AND LOSSES						
Gains on investment assets		1,094,501	583	5,062	1,100,146	20,301
TRANSFERS BETWEEN FUNDS		<u>(345)</u>	<u>345</u>	-	-	-
NET MOVEMENT IN FUNDS		1,042,503	(4,365)	5,062	1,043,200	(41,340)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>6,329,654</u>	<u>36,561</u>	<u>317,303</u>	<u>6,683,518</u>	<u>6,724,858</u>
TOTAL FUNDS CARRIED FORWARD		<u>7,372,157</u>	<u>32,196</u>	<u>322,365</u>	<u>7,726,718</u>	<u>6,683,518</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

BALANCE SHEET

AS AT 31 AUGUST 2021

		2021		2020
		£	£	£
FIXED ASSETS				
Tangible assets	11	412,237		423,011
Investments	12	6,612,962		5,460,298
		<u>7,025,199</u>		<u>5,883,309</u>
CURRENT ASSETS				
Debtors	13	282,715		156,417
Cash at bank and in hand		437,150		661,804
		<u>719,865</u>		<u>818,221</u>
CREDITORS: Amounts falling due within one year				
	14	<u>(18,346)</u>		<u>(18,012)</u>
NET CURRENT ASSETS		701,519		800,209
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,726,718</u>		<u>6,683,518</u>
NET ASSETS		<u>7,726,718</u>		<u>6,683,518</u>
FUNDS				
Endowment funds	15	322,365		317,303
Restricted income funds	16	32,196		36,561
Unrestricted income funds	17	7,372,157		6,329,654
TOTAL FUNDS		<u>7,726,718</u>		<u>6,683,518</u>

The financial statements on pages 16 to 30 were approved by the Governors and authorised for issue on the 3 December 2021 and are signed on their behalf by:



Rev'd John R Grundy
President



Mr Willie Duncan
Treasurer

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

	2021	2020
	£	£
Net cash provided by / (used in) operating activities	263,622	(247,207)
<i>Cash flows from investing activities</i>		
Dividends and interest from investments	136,823	138,489
Payments to acquire tangible fixed assets	-	(4,425)
Acquisition of other investments	(1,892,390)	(820,009)
Disposal of other investments	1,267,291	1,025,789
Net cash provided by investing activities	(488,276)	339,844
(DECREASE) / INCREASE IN CASH	(224,654)	92,637
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	661,804	569,167
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	437,150	661,804

RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Net (outgoing) resources before transfers	(56,946)	(61,641)
Dividends and interest from investments	(136,823)	(138,489)
Realised investment gains / (losses)	572,581	(86,481)
Depreciation	10,774	10,608
(Increase) / Decrease in debtors	(126,298)	29,510
Increase / (Decrease) in creditors	334	(714)
Net cash provided by / (used in) operating activities	263,622	(247,207)

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

The notes on pages 19 to 30 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Northern College (United Reformed and Congregational) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Accounting convention

The financial statements have been prepared on an accrual's basis under the historical cost convention and in accordance with applicable accounting standards. The accounts are prepared in pounds sterling.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties on the charity's ability to continue as a going concern. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The college will continue to respond to the needs of students, staff and the wider church and to monitor all situations affected by Covid-19. Some teaching has continued by Zoom, and there are contingency plans for returning to Zoom for those classes which are now meeting on site should the need arise. FRC and Governors will meet in a pattern that is partly Zoom and partly on site, but we could resume Zoom meetings if necessary. Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King Centre and the other colleges, as well as with the wider church as requests for training pick up again.

Judgements and estimates

Where required the Governors make judgements, estimates and assumptions that affect amounts reported in the financial statements. However, the nature of estimation means that actual outcomes could differ from those estimates. The only significant judgements that has had a material effect on the amounts recognised in the financial statements is the allocation of the investment value across the funds of the charity.

Income from charitable activities

Incoming resources from charitable activity comprises mainly tuition fee income. Tuition fees are credited to income in the financial year to which they relate.

Voluntary income

Donations under gift aid, together with the associated income tax recovery, are recognised in the income when the donation is received.

Legacies are included as income on receipt.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

Awards and grants are credited to income in the financial year to which they relate.

Fixed assets

Land and buildings have been included in the financial statements at cost.

Depreciation is charged at the following rates:

Buildings	2% on cost
Fixtures & Fittings	33.3% on written down value

Items over £1,000 are capitalised.

Investment Income

Dividends are credited to the statement of financial activities when they are receivable. Investment income, realised and unrealised gains on the collective fund is allocated in line with the relative size of the fund. Credit is taken for interest in the financial year to which it relates.

Investment assets

Investment assets are stated at the market value. Market value is based on middle market value.

Pension costs

During the year, the College participated in the United Reformed Church Ministers Pension Fund and the URC Staff Pension Scheme, all multi-employer defined benefit schemes whose assets are managed independently of the College and the Pensions Trust Growth Plan a defined contribution pension scheme. The College is unable to identify its share of the underlying assets and liabilities and consequently the funds are all treated as defined contribution schemes. The amount charged in respect of the pension costs, the contributions payable in the year are included within the appropriate expenditure heading in the Statement of Financial Activities

Allocation of costs

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis. Management and administration costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable and consistent basis. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the College's Governors, and all the costs of complying with the constitutional and statutory requirements, such as costs of Governor and Committee meetings and of preparing the statutory accounts and satisfying public accountability.

Debtors

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

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES (continued)

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of 31 days or less from the date of acquisition or opening of the deposit or similar account.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Reserves

The policies for restricted endowment income funds are as follows:

Bursary Fund Including Churches of Christ

The Governors use the income of the Bursary Fund for student support in conjunction with grants from sponsoring churches

Prize Fund

The income from this fund is used to award prizes to the students

Library Fund

The income from this fund is applied to provide library facilities. Transfers are also made from the general funds to meet these costs.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. VOLUNTARY INCOME

	Unrestricted funds	Total funds 2021
	£	£
Donations	2,120	2,120
Legacies	70	70
	<u>2,190</u>	<u>2,190</u>
	Unrestricted funds	Total funds 2020
	£	£
Donations	1,385	1,385
Legacies	70	70
	<u>1,455</u>	<u>1,455</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Bank interest receivable	242	-	242
Other interest receivable	1,631	-	1,631
Other investment income	133,183	1,767	134,950
	<u>135,056</u>	<u>1,767</u>	<u>136,823</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Bank interest receivable	1,953	-	1,953
Other interest receivable	2,024	-	2,024
Other investment income	132,640	1,872	134,512
	<u>136,617</u>	<u>1,872</u>	<u>138,489</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
URC student and RCL funding	330,146	348,772
Moravian student fees	4,933	9,747
Other income	6,170	19,196
	<u>341,249</u>	<u>377,715</u>

5. COST OF RAISING FUNDS

	Unrestricted funds £	Total funds 2021 £
Investment management costs	27,352	27,352
	<u>27,352</u>	<u>27,352</u>

	Unrestricted funds £	Total funds 2020 £
Investment management costs	23,682	23,682
	<u>23,682</u>	<u>23,682</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Training for mission and ministry	337,548	-	337,548
Support costs	165,248	7,060	172,308
	<u>502,796</u>	<u>7,060</u>	<u>509,856</u>
			Total Funds 2020 £
	Unrestricted Funds £	Restricted Funds £	
Training for mission and ministry	365,381	-	365,381
Support costs	180,367	9,870	190,237
	<u>545,748</u>	<u>9,870</u>	<u>555,618</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

		Activities undertaken directly £	Governance & support costs £	Total Funds 2021 £
Training for mission and ministry		337,548	162,238	499,786
Governance costs	8	-	10,070	10,070
		<u>337,548</u>	<u>172,308</u>	<u>509,856</u>
				Total Funds 2020 £
		Activities undertaken directly £	Governance & support costs £	
Training for mission and ministry		365,381	174,921	540,302
Governance costs	8	-	15,316	15,316
		<u>365,381</u>	<u>190,237</u>	<u>555,618</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

8. GOVERNANCE & SUPPORT COSTS

	Unrestricted Funds £	Total Funds 2021 £
Admin staff costs and expenses	49,149	49,149
Treasurer and secretary expenses	1,000	1,000
College houses expenses and rates	3,640	3,640
Staff housing and relocation costs	27,747	27,747
Library block charge	34,000	34,000
Principal's emergency fund	1,560	1,560
Prizes, bursaries and scholarship	19,060	19,060
Telephone costs	4,274	4,274
Printing, postage and stationery	1,232	1,232
IT costs / maintenance	8,509	8,509
Advertising costs	992	992
Payroll processing costs	301	301
Depreciation	10,774	10,774
<i>Governance Costs:</i>		
Audit and accountancy fees	8,207	8,207
Legal and professional fees	343	343
Costs of Trustees' meetings	1,159	1,159
Other financial costs	361	361
Other governance costs	-	-
	<u>172,308</u>	<u>172,308</u>
	Unrestricted Funds £	Total Funds 2020 £
Admin staff costs and expenses	47,984	47,984
Treasurer and secretary expenses	2,185	2,185
College houses expenses and rates	5,981	5,981
Staff housing and relocation costs	36,324	36,324
Library block charge	34,000	34,000
Principal's emergency fund	3,003	3,003
Prizes, bursaries and scholarship	21,370	21,370
Telephone costs	4,284	4,284
Printing, postage and stationery	1,980	1,980
IT costs / maintenance	5,540	5,540
Advertising costs	1,580	1,580
Payroll processing costs	325	325
Depreciation	10,608	10,608
<i>Governance Costs:</i>		
Audit and accountancy fees	8,088	8,088
Legal and professional fees	3,013	3,013
Costs of Trustees' meetings	3,683	3,683
Other financial costs	104	104
Other governance costs	185	185
	<u>190,237</u>	<u>190,237</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2021	2020
	£	£
Auditors' remuneration:		
• audit of the financial statements	7,052	7,176
• preparation of the financial statements	1,155	912
	<u>8,207</u>	<u>8,088</u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2021	2020
	£	£
Wages and salaries	202,798	254,128
Social security costs	19,657	22,178
Pension costs	49,027	53,448
	<u>271,482</u>	<u>329,754</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and actual headcount (HC), was as follows:

	2021	2021	2020	2020
	FTE	HC	FTE	HC
	No.	No.	No.	No.
Teaching and related staff	6	6	6	6
Administration staff	1	1	1	1

No employee received remuneration of more than £60,000 during the year (2020 - NIL).

1 Trustee was reimbursed expenses totalling £11 (2020: 9 trustees £2,889) in relation to travel expenses. Included within this, The Principal (a Trustee) was reimbursed £667 (2020: £1,334). These expenses were in relation to the role of Principal.

Key management personnel comprise the Trustees and the Principal. The Principal is the only Trustee remunerated by the College. This is in relation to the role of Principal. No remuneration was paid in connection with her role as Trustee. Remuneration amounted to £50,660 (2020: £50,269). Employers' pension contributions included in this total, amounted to £7,651 (2020: £7,537).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & Fittings £	Total £
COST			
At 1 September 2020	465,000	20,058	485,058
Additions	-	-	-
At 31 August 2021	<u>465,000</u>	<u>20,058</u>	<u>485,058</u>
DEPRECIATION			
At 1 September 2020	45,105	16,942	62,047
Charge for the year	9,300	1,474	10,774
Eliminated on disposals	-	-	-
At 31 August 2021	<u>54,405</u>	<u>18,416</u>	<u>72,821</u>
NET BOOK VALUE			
At 31 August 2021	<u>410,595</u>	<u>1,642</u>	<u>412,237</u>
At 31 August 2020	<u>419,895</u>	<u>3,116</u>	<u>423,011</u>

12. INVESTMENTS

Movement in market value

	2021 £	2020 £
Market value at 1 September 2020	5,460,298	5,559,295
Acquisitions at cost	1,892,390	820,009
Disposals at carrying value	(1,267,291)	(1,025,789)
Gains / (Losses) on revaluation	527,565	106,783
Market value at 31 August 2021	<u>6,612,962</u>	<u>5,460,298</u>

All investments above are held at market valuation.

Analysis of investments at 31 August 2021 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Listed investments					
UK Quoted fixed interest Securities	<u>6,562,126</u>	<u>5,252</u>	<u>45,584</u>	<u>6,612,962</u>	<u>5,460,298</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

13. DEBTORS

	2021	2020
	£	£
Trade debtors	9,981	7,633
Loans to Luther King House Educational Trust	213,331	138,331
Other debtors	-	700
Prepayments and Accrued Income	59,403	9,753
	<u>282,715</u>	<u>156,417</u>

The Trustees consider that debtors totalling £202,293 will be repayable after one year

14. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Taxation and social security	5,139	5,654
Accruals and deferred income	13,207	12,358
	<u>18,346</u>	<u>18,012</u>

15. ENDOWMENT FUNDS

	Balance at 1 Sep 2020 £	Transfers £	Gains and losses £	Balance at 31 Aug 2021 £
Permanent endowments				
Bursary Fund	246,584	-	3,934	250,518
Prize Fund	10,946	-	174	11,120
Library Fund	59,773	-	954	60,727
	<u>317,303</u>	<u>-</u>	<u>5,062</u>	<u>322,365</u>

	Balance at 1 Sep 2019 £	Transfers £	Gains and losses £	Balance at 31 Aug 2020 £
Permanent endowments				
Bursary Fund	249,779	-	(3,195)	246,584
Prize Fund	11,088	-	(142)	10,946
Library Fund	60,547	-	(774)	59,773
	<u>321,414</u>	<u>-</u>	<u>(4,111)</u>	<u>317,303</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2020	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2021
	£	£	£	£	£
Bursary Fund	34,098	1,401	(6,660)	544	29,383
Prize Fund	-	55	(400)	345	-
Library Fund	2,463	311	-	39	2,813
	<u>36,561</u>	<u>1,767</u>	<u>(7,060)</u>	<u>928</u>	<u>32,196</u>

	Balance at 1 Sep 2019	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2020
	£	£	£	£	£
Bursary Fund	41,603	1,497	(8,470)	(532)	34,098
Prize Fund	(728)	53	(1,400)	2,075	-
Library Fund	2,169	322	-	(28)	2,463
	<u>43,044</u>	<u>1,872</u>	<u>(9,870)</u>	<u>1,515</u>	<u>36,561</u>

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2020	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2021
	£	£	£	£	£
General Funds	<u>6,329,654</u>	<u>478,495</u>	<u>(530,148)</u>	<u>1,094,156</u>	<u>7,372,157</u>

	Balance at 1 Sep 2019	Incoming resources	Outgoing resources and transfers	Gains, losses and transfers	Balance at 31 Aug 2020
	£	£	£	£	£
General Funds	<u>6,360,400</u>	<u>515,787</u>	<u>(569,430)</u>	<u>22,897</u>	<u>6,329,654</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2021 Total £
Tangible fixed assets	412,237	-	-	412,237
Investments	6,562,126	5,252	45,584	6,612,962
Net current assets	397,794	26,944	276,781	701,519
	<u>7,372,157</u>	<u>32,196</u>	<u>322,365</u>	<u>7,726,718</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2020 Total £
Tangible fixed assets	423,011	-	-	423,011
Investments	5,414,926	5,359	40,013	5,460,298
Net current assets	491,717	31,202	277,290	800,209
	<u>6,329,654</u>	<u>36,561</u>	<u>317,303</u>	<u>6,683,518</u>

19. RELATED PARTY TRANSACTIONS

Details of transactions with Trustees are provided at note 10.

The College is a founding, stake holding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. Rosalind Selby, the Principal and a member of key management personnel, is the college's nominated governor and trustee on the LKHET Board. At each meeting of the LKHET Board and the NoCo Board, the Principal's conflict of interest is declared and noted. During the year, the following transactions took place between LKHET and the College: Loan advance of £75,000. The balance outstanding to the College at the year end was £213,331 (2020: £138,331).

20. CONTINGENT LIABILITIES

The Charity Participates in The Pension Trust's Growth Plan defined benefit pension plan (see note 1 for further details). On 31 December 2021 the only remaining member of Northern College staff remaining in the pension scheme is due to leave the scheme. When the College has no employees participating in the pension scheme, this will trigger Northern College's share of the liability in the scheme to crystallise. The College has applied for a one year grace period during which other employees will be invited to join the scheme. Should an employee choose to enrol in the scheme, the liability will not crystallise. The value of the potential liability is not yet known and would be subject to actuarial valuation at the date the liability is triggered.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2021

20. Analysis of changes in Net Debt

	At 1 Sept 2020 £	Cashflows £	At 31 Aug 2021 £
Cash at bank and in hand	<u>661,804</u>	<u>(224,654)</u>	<u>437,150</u>

	At 1 Sept 2019 £	Cashflows £	At 31 Aug 2020 £
Cash at bank and in hand	<u>569,167</u>	<u>92,637</u>	<u>661,804</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

England & Wales - Charity number 529253

Accounts

**NORTHERN COLLEGE (UNITED REFORMED AND
CONGREGATIONAL)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2020

Charity Number 529253

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2020

CONTENTS	PAGE
Trustees Annual Report	1
Independent Auditor's Report to the Trustees	13
Statement of Financial Activities	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

TRUSTEES ANNUAL REPORT

This report fulfils the requirements of the Charities Act 2011 for a Trustees' Annual Report.

Governors and Charity Trustees

The College is governed by an unincorporated Board of Governors who are also the Charity Trustees. This body includes ten nominated Governors, five co-opted Governors and the Principal. The nominated Governors are appointed by the Council of the Congregational Federation, the General Assembly of The United Reformed Church and the students of the College. The Congregational Federation and The United Reformed Church appoint for a term of four years and the students of the College for one year. Co-opted Governors are appointed by the Governors for a term of four years.

The Governors have all served in office throughout the year except where indicated. Together with past Governors who served in the year as indicated, they are:

Nominated by the United Reformed Church (5 + 1 vacancy)

Revd Mark A Bates (S)

Mrs Rosie Buxton

Mrs Sheila M Davies (F) (S)

Mr Willie Duncan (F)

Revd Raymond S Singh

Mr Bill Potter (F) - ceased 31st October 2019

Nominated by the Congregational Federation (2)

Revd Oliver Kinchin (S)

Revd Alan Kennedy

Nominated by the students of the College (2)

Mr Solomon Aryee-Brown – ceased 8th April 2020

Mr Jonathan Hill - commenced 9th April 2019

Miss Felicity Tunnard – commenced 9th April 2020

Co-opted Governors (3 + 2 vacancies)

Revd David A Herbert

Revd Robert Hopcroft

Revd Kevin Watson – ceased 8th October 2020

Ex Officio Governor (1)

Revd Dr Rosalind M Selby (Principal) (F)

Membership of Committees is shown by the following letters: - (F) Finance Advisory Group, and (S) Standing Committee. The work of the Educational Reference Group has been subsumed into the full Board of Governors to ensure the widest possible discussions. The reference to members of that group has, therefore ceased.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

OFFICERS:

President	Mrs S M Davies
Secretary	Revd B S Jolly
Treasurer	Mr W Duncan
Principal	Revd Dr R M Selby

Principal Address Luther King House
Brighton Grove
Rusholme
Manchester
M14 5JP

Registered Charity Number 529253

Custodian Trustee The Northern College Trust Limited

ADVISERS:

Auditors Beever and Struthers
St George's House
215-219 Chester Road
Manchester M15 4JE

Solicitors Veale Wasbrough Vizards LLP
Second Floor, 3 Brindley Place,
Birmingham B1 2JB

Bankers Triodos Bank
Deanery Road
Bristol BS1 5AS

Investment Advisors Brewin Dolphin
10 Wellington Place
Leeds LS1 4AN

Insurance Brokers **Edwards Insurance Brokers:**
Congregational Integra Insurance Solutions Ltd
Curren House
Curren Street
Bradford
West Yorkshire BD1 5BA

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

The Northern College Board of Governors present their annual report for the year ended 31 August 2020 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP (FRS 102).

REFERENCE AND ADMINISTRATIVE INFORMATION

The College was founded in 1843 and is registered with the Charity Commission under charity number 529253 dated 25th May 1961.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is governed under a scheme adopted 9th April 2001 (amended by resolution dated 14th July 2003) which replaced earlier schemes.

Governing body

The Board of Governors includes members nominated by the United Reformed Church, the Congregational Federation and students of the College as well as Governors co-opted by the Board; the Principal is an ex officio Governor. (See page 1.)

Recruitment and training of Governors

Governors are appointed by the governing body on the basis of nominations received from The United Reformed Church, Congregational Federation and Student Body. A proportion is co-opted by the governing body itself. Through consultation with the nominating bodies the Board seeks to recruit persons with appropriate backgrounds that will help to maintain a balance of skills and experience within the governing body. All new Governors receive a pack of information which contains policies and other documents relevant to the governance and working of the College; in addition, they receive induction training from the Secretary or the Principal. Each year the College Governors normally have an extended meeting which, apart from essential business, is largely devoted to discussing with College staff, and others, the core work and the wider role of the College. In addition, time is regularly set aside at Board meetings for the discussion of policies and the strategic direction of the development of the College in accordance with its charitable objects.

Organisational management

The College Governors, as Trustees of the charity, are legally responsible for the overall management and control of the College and meet five times a year. They are supported by a Finance Advisory Group (FAG) convened by the Treasurer which includes both Governors and other, co-opted, members. Since 30th June 2016, the work of the Educational Reference Group has been subsumed into the Board of Governors to ensure that the full expertise of the Board is available during discussion on the academic and other educational standards of the College, and for the support of the teaching staff. FAG normally meets in advance of Governors' meetings in order to make recommendations and reports to the governing body. The day to day running of the College is delegated to the Principal. The standing committee is a group of three governors who may be called upon to deal with certain Human Resource and grievance procedures and as such meet only on an ad hoc basis when required.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

Group structure and relationships

The Northern College Trust Limited is the custodian Trustee of the College.

The College is a founding, stakeholding member of Luther King House Educational Trust (LKHET), to which the College has the right to appoint one director, working collaboratively with other colleges and training institutions to maintain the infrastructure of Luther King House and to develop educational programmes. The Principal is the college's nominated governor and trustee on the LKHET Board.

The financial relationships between other colleges, Luther King House and Northern College have been kept under review during the Covid-19 crisis. A number of meetings have been held by Zoom between the Principals of the college and governors/committee members with financial expertise to monitor the situation.

Risk management and assessment

The Board of Governors is responsible for consideration of ongoing risks faced by the College. The detailed work is delegated to the Finance Advisory Group which has identified current risks and risk levels and taken steps to establish systems that will prevent or mitigate those risks. The risk policy was substantially revised during the previous year and is now being reviewed annually. (See below on the management of significant risks this year).

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects and principle activities

The object of the College is to advance the Christian religion in accordance with the tenets of the churches by providing education and training of men and women:

- candidates for the ministries of the churches
- ministers of, and lay people in, the churches
- ministers and lay persons from other denominations and in such other way as the Governors think fit

The College's 'core business' is the fulfilment of the first of these objects to provide education and training for ordination of stipendiary- and non-stipendiary Ministers of Word and Sacraments, and for commissioned ministry of Church-Related Community Work within the United Reformed Church and the Congregational Federation as appropriate. It fulfils this object in an ecumenical setting as a member of The Luther King House Partnership for Theological Education. Other objects are fulfilled by lay, and pre- and post-ordination/commissioning training offered to the wider United Reformed Church and Congregational Federation, and to other denominations (in particular the Moravian Church).

The charity also maintains a variety of endowments whose objects are: to award bursaries to those students who are in need; and to award prizes.

In February 2016 a Development Plan was adopted by the Board of Governors which:

- set out the present situation and work of Northern College;
- showed that the College is working well and to capacity; and
- looked to the future, including a consideration of increasing staff levels and development of key partnerships to develop the 'core business' and the working out of the other objects of the College to resource the wider church.

This plan has been updated, and further adopted by the Board of Governors on a regular basis since that date. In addition, there is now a meeting-by-meeting review of a rolling 'Action Plan' which distils the actions required to ensure the out-working of the Development Plan.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

As a direct result of the agreement of the Development Plan, additional members of staff have been, and may continue to be, recruited in order to facilitate the College fulfilling its objectives to the best of its ability in the wider church.

Aims and intended impact

The aim, in collaboration with other colleges within Luther King House, is to provide appropriate education and training for ministerial and ministry of church-related community work students and lay people, including practical experience within churches and a variety of other environments. A further aim is to provide resources, funded by sponsoring bodies and the College's assets, to enable the aims and objectives to be achieved.

Objectives for the year

The focus has been on the continued provision of education for our students, church and community placements at home and abroad, to attend to the personal development of students and to encourage theological maturity and growth overseen by a system of personal tutoring.

During the academic year Northern College had 20 students.

The College will also continue to support and increase the benefit to the wider church as it seeks to fulfil its objectives. This is a significant step forward in the public benefit of this Charity. In particular, training has been provided to the churches on supporting leadership and preaching during times of trauma and crisis.

Strategies to achieve the year's objectives

Strategies in place included the annual review and assessment of the Principal and other members of the College staff. There is an ongoing five-year cycle of sabbaticals for academic staff in order to maintain academic staff competencies. In addition, there was further development of links with a number of Synods of the United Reformed Church and with the Moravian Church. Through the work of the Principal and all the Tutors, the College continues to offer skills and experience into the wider Church.

Grant-making policy

The College gives grants as permitted by its charitable scheme and objects to students of the College. Grants are given as: hardship monies (normally up to a sum of approximately £1,000pa, though we did make additional provision in the past year in view of exceptional circumstances) to support students through financial crises; to support students who engage in international placements in World Church settings to further their training; and to develop the part of our charitable objectives which refers to the further training of existing ministers who wish to engage in post-graduates study.

Volunteers

The College's educational programme benefits considerably from voluntary inputs. These include Church and Community Placement Supervisors, members of Church Support Groups, Community Consultants and co-opted members of committees. Local church support is impossible to quantify, but in each academic year we estimate that between 45 and 55 ministers, CRCW consultants and lay people benefit students on their educational programmes (particularly through practical placements) and support the work of the charity through membership of committees.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

Operational performance of the College

During the year there have been 11 students for Stipendiary Ministry of Word and Sacrament (SM, full-time, of whom one chose to withdraw from training towards the end of the year), 6 for Non-Stipendiary Ministry of Word and Sacrament (NSM, part-time, of whom one completed her training in December and one who took an interruption for medical reasons), and 3 full-time for the ministry of Church-Related Community Work.

Of the completing students, one has already received a leaving Certificate and six at the annual college service in September, recommending them to the churches for service, ordination or commissioning. All of those students have received a call to a pastorate or church.

During the year all members of academic staff have served the wider church by the leading of worship, tutoring of courses and serving on national and synod committees. They contribute to international and national conferences and publications. These activities, together with work on the objects of the College, have kept Northern College in the forefront of denominational awareness within the United Reformed Church, the British Province of the Moravian Church, the Congregational Federation and the Methodist Church. With one of the new members of staff on the Synod of the Church of England, our work is now becoming more widely known in the largest denomination in the country.

The Governors have continued to be involved in discussions with The United Reformed Church concerning the future provision of education and training throughout the denomination.

Educationally, as the Covid-19 crisis hit, all teaching was moved online with additional individual telephone or Zoom support. Validating university guidance was taken to ensure that students were not prejudiced in terms of the outcome of their qualifications. The library moved to a postal system. All government guidelines have been followed.

PRINCIPLE RISKS AND UNCERTAINTIES

Funding arrangements

The College's funding is a mixture of fee income from the churches which sponsor students, income from the College's own investments and subscriptions and donations. The main strategy of the College is to maximise income through the work of the Finance Advisory Group and to apply the resources so generated to develop the College in accordance with its objects.

The College works with the United Reformed Church, and other denominations where applicable, to ensure that the costs of student funding are met in full wherever possible. Regular dialogue and a shared sense of mission help to mitigate the risk.

The United Reformed Church has maintained contact with Northern College to ensure the college's funding needs are met.

Investment performance against objectives

The performance of the investment portfolios has continued to be reviewed by the Finance Advisory Group on behalf of the Governors and met expectations. The steady rise of the markets through the financial year has resulted in a positive movement on investments for the period, resulting in a gain on investment of £20,301 (2019: £21,069).

Investment performance continues to be a key risk especially considering market fluctuations from Brexit, Covid-19 and other world events. These remain uncertain but will be monitored closely. Brewin Dolphin's representative has been invited to additional meetings to assist the Finance Advisory Group in monitoring income.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

Northern College's Ethical Investment Policy was reviewed during the year and a decision to withdraw from fossil fuel investments. In practice, this meant instructing Brewin Dolphin to sell the college's holdings in Royal Dutch Shell amounting, at the time of instruction, to approximately £91k. Subsequently, Northern College was at the forefront of press and denominational coverage that showed the college as driving forward on this environmental decision. It emerged, however, that Brewin Dolphin had not sold the holdings in Royal Dutch Shell when instructed to do so and, because the public reputation of the college was then at risk, had to be instructed to sell as soon as the mistake came to light; this was when the market had fallen considerably. Compensation for this loss has been negotiated.

Covid-19-Related Risks

This year, significant risk factors have been dealt with.

- The Covid-19 crisis related downturn of the financial markets has affected the colleges' investments. We have taken the decision to invite a representative of Brewin Dolphin to report at each Financial Advisory Group meeting where best possible decisions in terms of investments and investment strategy are made. Cash flow is monitored carefully. The college's investments are such that, although investment income has dropped, we remain confident that we have sufficient resources. The Board of Governors will continue to be watchful of the financial situation.
- Partnership: Luther King House's commercial subsidiary had been affected by lockdown as it is dependent upon accommodation and conferencing income and had to close temporarily. The subsidiary is a large contributor to Luther King House Educational Trust which has, therefore, also suffered a financial setback. The two denominational colleges who are part of the Luther King House Educational Trust, of which Northern College is one, have been called upon to offer short-term support:
 - A year's deferral has been given to Luther King House on the outstanding repayment loan
 - A deferral of up to one year has been given to Luther King House on the interest-only loan (the 'Library Loan') with the proviso that interest payments will be made up thereafter.
 - Payments due through the year will be paid 'up front' in September (office rental, block charges).
- A further repayment loan has been offered in principle, up to a maximum of £100,000. The current projections of Luther King House do not show a need for these monies but it was felt prudent to have this facility organised should the need arise to respond quickly.
- The Northern Baptist College have made similar arrangements, though their further loan facility is £50,000.
- Careful account was taken of Northern College's financial position by the Finance Advisory Group and the Board of Governors before these measures were agreed.
- Educational: the situation of the students has been carefully monitored. Teaching for the academic year was completed by Zoom, and supportive arrangements were put in place for students' assignment preparation, including additional time and library books being made available online or posted out. All reviews were conducted by Zoom, as were interviews for the next academic year. Support has been offered to students by tutors in terms of their personal welfare and financial situations, assisted by the fact that two members of staff are acknowledged trauma specialists (one with psychological qualifications, the other with significant research and church experience).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

Update on existing loans: The College has also used its investment ability to further the work of Luther King House by providing three loans. One loan made in 2007 for £70,000 is for an indefinite period on which interest is payable quarterly. The second loan was made in 2016 for £60,000 and was repaid in full on 27th February 2020. The third loan was made in 2019 for £90,000 and is repayable by February 2023 with the deferrals noted above. Repayments including interest are usually made half-yearly and the amount outstanding at year end was £68,331.

Educational Risk

- Manchester University, having withdrawn its validation from a number of small partners including Luther King House, is now only validating a few students who cannot be transferred to new validators. The majority of students have been accepted by Durham University under its Common Awards scheme. The college believes this is a robust move, resulting in the students being part of a wide-spread network of theological training for ministry with a validator and department specifically constituted for that purpose.
- Covid-19 has brought significant educational risk to the students of Northern College, and a number of steps have been taken to mitigate this.
 - at the beginning of lock-down, Luther King House took the decision that the remainder of the year's teaching should be undertaken by Zoom. Staff have received training and guidance on managing preparation, teaching sessions and assignments
 - the formational programme also moved to Zoom. Tutor groups will happen at different times of the week to ease eye-strain of days/weekends with too much Zoom. Whole-group sessions and tutor groups continued beyond the end of the academic year to continue to offer support to students.
 - Pastoral support – tutor groups and one-to-one support.
 - Placements became a challenge, with some students moving to online activities or telephone contacts, one or two students had to leave their placements at the request of supervisors. NoCo has developed a "Placement PlanB" that allows students who cannot physically attend a placement to undertake formational tasks that will support their learning and development
 - There have been additional pressures on staff where mutual support, additional line management has occurred. All staff have been equipped with the necessary IT equipment needed for teaching. Holiday entitlement has been carried over
 - Additional telephone support has been offered to all students and staff, together with reminders that all students and ordained staff have access to the Ministerial Counselling Service. Alternatives will be offered to lay staff.

PUBLIC BENEFIT STATEMENT

The Governors have taken into account the Charity Commission guidance on public benefit and believe that the activities of the College are in line with that guidance.

The College provides university-validated courses of theological Christian education for those training for Ministry of Word and Sacrament, and of Church-Related Community Work.

Those training for accredited ministries are seldom able to use their education to advance their own material interests; their whole reason for entering training is to respond to the perceived call of God upon their lives to serve the needs of local congregations and communities. All students of the College begin this service in training placements throughout their course of

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

training. Members of the College staff also assist existing ministers in 'Continuing Ministerial Development' by offering study facilities and tuition, including for the ministers' sabbatical renewal, in-service training, and in work towards higher degrees in contextual theology which by its very nature involves issues of church community development and service.

The Academic Staff of the College also contribute to the development of lay service and ministry across the United Reformed Church and other denominations by offering and supporting training events at venues across England and Wales. By increasing the number of Academic Staff, the College will further be able to contribute to the work of the wider Church.

Additional courses have been put on during the Covid-19 crisis, and further are planned, to offer the trauma support expertise of two staff members into the wider church.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial policy

The aim of the Governors is to finance the general activities of the College from fees paid for tuition, investment income and subscriptions and donations. If a shortfall does occur, it is covered by a transfer from accumulated income. The Governors monitor the position carefully. The attached accounts have been prepared in accordance with the recommendations of the Statement of Recommended Practice for Charities issued by the Charities Commission.

The College's net outgoing resources of £61,641 for the year (2019: £42,917 incoming) as set out in the Statement of Financial Activities (SOFA) were as follows:

	2020	2019
	£	£
Investment income	138,489	168,443
Legacies	70	70
Operating (deficit)	<u>(200,200)</u>	<u>(125,596)</u>
	<u>(61,641)</u>	<u>42,917</u>
Gains on investment assets	<u>20,301</u>	<u>21,069</u>
Net movement in funds	<u>(41,340)</u>	<u>63,986</u>

The Governors are confident that there are sufficient funds available from ongoing activities and accumulated income for the College to meet its financial commitments for the foreseeable future but will continue to monitor this situation closely.

Reserves policy

The Governors aim to achieve a reserves status sufficient to generate income to cover the expenditure required to continue the education of the current students over the remainder of their courses. The maximum course length is normally, at the present time, four years and the current annual expenditure is around £579,300 (2019: £533,929). Governors estimate that the level of reserves required to generate a substantial level of income are c. £4,935,000. Such a level of reserves would also cover the amounts needed to cover the costs of winding up the charity. Individual funds reserves policies are detailed in the accounting policies in note 1.

Notes 15 to 18 to the financial statements show the assets and liabilities attributable to the various funds by type and describe the various restricted funds of the College and summarises the year's movements on each fund.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

At 31st August 2020 the charity holds £6,683,518 (2019: £6,724,858) in reserves, of which £34,495 (2019: £43,044) are restricted funds and £317,303 (2019: £321,414) are endowment funds. A further £423,011 (2019: £429,195) are represented by tangible fixed assets leaving £5,908,709 (2019: £5,931,205) in free reserves. During the year, FAG undertook a major review of the reserve requirements of the College, and new policy has been adopted by the Governors. This has brought further clarity in terms of monies that can be utilised in the outworking of the Development Plan.

The Governors' policy is, therefore, to continue to maintain reserves to an appropriate level by means of annual operating surpluses and judicious management of the investment assets.

Investment policy and objectives

The main objective for the funds of the College is to maintain future income constant in real terms. Prior to the review of funds in the year, the objective for funds in the Whalley Range Fund was to achieve capital appreciation. Following completion of the review, the investment policy will now be reconsidered and revised as appropriate.

The Governors' ethical investment policy, based on the recommendations of the United Reformed Church's advisory group, is not to invest in:-

- a) companies directly engaged in the manufacture or supply of weapons of destruction
- b) companies where a significant part of the business is in the supply of alcoholic drinks or tobacco products or military equipment (other than weapons of destruction); or the provision of gambling facilities; or the publication or distribution of pornography
- c) fossil fuel companies that are not compliant with the Paris 2015 recommendations for carbon emissions.

We will deem 'significant' to mean where the share of turnover derived from the activity concerned is more than around 10-20% of the company's total turnover.

In addition to the criteria listed the URC's investment bodies are encouraged to avoid investment in companies whose managed practices are deemed to be unacceptable or whose operations are deemed to:

- contribute to the oppressive nature of regimes which are guilty of gross human rights violations;
- contribute to a harmful impact on the social or natural environment;
- harm the society in which they operate more than they benefit it;
- promote injustice

Normally, the value of no individual equity investment should be more than 7.5% of the value in equities in both funds or 10% in either fund.

Brewin Dolphin manage the investments with full discretionary powers. The investments of the funds other than the Whalley Range Fund are held in a pooled fund for more effective management.

The Governors' policy is, therefore, to continue to maintain reserves to that level by means of annual operating surpluses and judicious management of the investment assets.

Arrangements for setting pay and remuneration of key management personnel

The Principal is the only remunerated member of the key management personnel team. Pay is reviewed annually by the Finance Advisory Group and approved by the Governors. Mission

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

Council of the URC Trust set the level of ministerial stipend each year. The Finance Advisory Group use the level of stipend as a benchmark in setting the salary of the Principal.

FUTURE PLANS

The United Reformed Church looks to Northern College, Westminster College, Cambridge and the Scottish College to train ministers of Word and Sacraments and of church-related community work, as well as lay people. To support this work, Northern College intends:

- to continue developing existing and new working relationships within the United Reformed Church's whole learning environment, which includes not only the colleges but also lay training and continuing ministerial development offered through the Synods of the church;
- to continue to deliver theological education and training for ministerial and lay students;
- to work with Luther King House Educational Trust in developing its university validation relationship;
- to continue to offer support to students and their families; and
- to build further ecumenical relationships.

With numbers of candidates for the ministries of the United Reformed Church falling over recent years, Northern College has entered into discussions with the denomination and a sister college about the consolidation of work in order to facilitate some financial savings whilst maintaining the high quality of training offered by both institutions.

The college will continue to respond to the needs of students, staff and the wider church as the Covid-19 crisis continues. Teaching is planned by Zoom for the whole of the academic year, together with tutor group and whole-group support, IT equipment and training is still developing. Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King House and the other colleges.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

TRUSTEES REPORT

YEAR ENDED 31 AUGUST 2020

TRUSTEES' RESPONSIBILITIES STATEMENT

The Charities Act 2011 requires the Governors as the Trustees of the College to prepare financial statements for each financial year which give a true and fair view of the College's financial activities during the year and of its financial position at the end of the year.

In preparing the financial statements the Governors should follow best practice and

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing and explaining any departures in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the College will continue in operation.

The Governors are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the College at any time, and to enable them as Trustees to ensure that the financial statements comply with charity law. The Governors are also responsible for safeguarding the College's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Revd Brian Jolly
Secretary of the Board of Governors
11th December 2020

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of the Northern College (United Reformed and Congregational) "the charity" for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report to you in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

YEAR ENDED 31 AUGUST 2020

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. 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.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report;
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF NORTHERN COLLEGE
(UNITED REFORMED AND CONGREGATIONAL)**

YEAR ENDED 31 AUGUST 2020

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Sue Hutchinson FCCA
Statutory Auditor**

**Beever and Struthers is eligible to act as an auditor in terms of section 1212 of the
Companies Act 2006**

St George's House
215-219 Chester Road
Manchester M15 4JE

Date 16 December 2020

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
INCOMING RESOURCES						
Incoming resources from generating funds:						
Voluntary income	2	1,455	-	-	1,455	1,864
Investment income	3	136,617	1,872	-	138,489	168,443
Incoming resources from charitable activities	4	377,715	-	-	377,715	406,539
TOTAL INCOMING RESOURCES		<u>515,787</u>	<u>1,872</u>	<u>-</u>	<u>517,659</u>	<u>576,846</u>
RESOURCES EXPENDED						
Raising funds	5	(23,682)	-	-	(23,682)	(25,050)
Charitable Activities	6	(545,748)	(9,870)	-	(555,618)	(508,879)
TOTAL RESOURCES EXPENDED		<u>(569,430)</u>	<u>(9,870)</u>	<u>-</u>	<u>(579,300)</u>	<u>(533,929)</u>
NET-INCOME (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		<u>(53,643)</u>	<u>(7,998)</u>	<u>-</u>	<u>(61,641)</u>	<u>42,917</u>
OTHER RECOGNISED GAINS AND LOSSES						
Gains on investment assets		24,963	(551)	(4,111)	20,301	21,069
TRANSFERS BETWEEN FUNDS		<u>(2,066)</u>	<u>2,066</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET MOVEMENT IN FUNDS		<u>(30,746)</u>	<u>(6,483)</u>	<u>(4,111)</u>	<u>(41,340)</u>	63,986
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>6,360,400</u>	<u>43,044</u>	<u>321,414</u>	<u>6,724,858</u>	6,660,872
TOTAL FUNDS CARRIED FORWARD		<u>6,329,654</u>	<u>36,561</u>	<u>317,303</u>	<u>6,683,518</u>	6,724,858

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.
All of the above amounts relate to continuing activities.

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019
		£	£	£
FIXED ASSETS				
Tangible assets	11		423,011	429,195
Investments	12		5,460,298	5,559,295
			<u>5,883,309</u>	<u>5,988,490</u>
CURRENT ASSETS				
Debtors	13	156,417		185,927
Cash at bank and in hand		661,804		569,167
			<u>818,221</u>	<u>755,094</u>
CREDITORS: Amounts falling due within one year	14	(18,012)		(18,726)
NET CURRENT ASSETS			800,209	736,368
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,683,518</u>	<u>6,724,858</u>
NET ASSETS			<u>6,683,518</u>	<u>6,724,858</u>
FUNDS				
Endowment funds	15		317,303	321,414
Restricted income funds	16		36,561	43,044
Unrestricted income funds	17		6,329,654	6,360,400
TOTAL FUNDS			<u>6,683,518</u>	<u>6,724,858</u>

The financial statements on pages 16 to 30 were approved by the Governors and authorised for issue on the 11 December 2020 and are signed on their behalf by:



Mrs Sheila M Davies
President



Mr Willie Duncan
Treasurer

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2020

	2020	2019
	£	£
Net cash provided by operating activities	(247,207)	(16,020)
<i>Cash flows from investing activities</i>		
Dividends and interest from investments	138,489	168,443
Payments to acquire tangible fixed assets	(4,425)	-
Acquisition of other investments	(820,009)	(738,919)
Disposal of other investments	1,025,789	572,728
	<hr/>	<hr/>
Net cash provided by investing activities	339,844	2,252
	<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH	92,637	(13,768)
CASH AND CASH EQUIVALENTS AT THE START OF THE YEAR	569,167	582,935
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	661,804	569,167
	<hr/> <hr/>	<hr/> <hr/>
 RECONCILIATION OF NET INCOMING RESOURCES BEFORE TRANSFERS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES		
Net incoming / (outgoing) resources before transfers	(61,641)	42,917
Dividends and interest from investments	(138,489)	(168,443)
Realised investment gains	(86,481)	169,126
Depreciation	10,608	9,300
Decrease/(Increase) in debtors	29,510	(69,207)
(Decrease)/Increase in creditors	(714)	287
	<hr/>	<hr/>
Net cash (used in) / provided by operating activities	(247,207)	(16,020)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 19 to 30 form part of these financial statements.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Northern College (United Reformed and Congregational) meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Accounting convention

The financial statements have been prepared on an accruals basis under the historical cost convention and in accordance with applicable accounting standards. The accounts are prepared in pounds sterling.

Going Concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties on the charity's ability to continue as a going concern. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

The college will continue to respond to the needs of students, staff and the wider church as the Covid-19 crisis continues. Teaching is planned by Zoom for the whole of the academic year, together with tutor group and whole-group support, IT equipment and training is still developing. Both financial and educational matters will continue to be monitored closely, both within Northern College and together with Luther King House and the other colleges.

Judgements and estimates

Where required the Governors make judgements, estimates and assumptions that affect amounts reported in the financial statements. However, the nature of estimation means that actual outcomes could differ from those estimates. The only significant judgements that has had a material effect on the amounts recognised in the financial statements is the allocation of the investment value across the funds of the charity.

Income from charitable activities

Incoming resources from charitable activity comprises mainly tuition fee income. Tuition fees are credited to income in the financial year to which they relate.

Voluntary income

Donations under gift aid, together with the associated income tax recovery, are recognised in the income when the donation is received.

Legacies are included as income on receipt.

Awards and grants are credited to income in the financial year to which they relate.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

Fixed assets

Land and buildings have been included in the financial statements at cost.

Depreciation is charged at the following rates:

Buildings	2% on cost
Fixtures & Fittings	33.3% on written down value

Items over £1,000 are capitalised.

Investment income

Dividends are credited to the statement of financial activities when they are receivable. Investment income, realised and unrealised gains on the collective fund is allocated in line with the relative size of the fund. Credit is taken for interest in the financial year to which it relates.

Investment assets

Investment assets are stated at the market value. Market value is based on middle market value.

Pension costs

During the year, the College participated in the United Reformed Church Ministers Pension Fund, the Methodist Ministers Pension Scheme and the URC Staff Pension Scheme, all multi-employer defined benefit schemes whose assets are managed independently of the College and the Pensions Trust Growth Plan a defined contribution pension scheme. The charity exited the Methodist Ministers Pension Scheme. The one member of the scheme was moved to the URC Final Salary Scheme. The College is unable to identify its share of the underlying assets and liabilities and consequently the funds are all treated as defined contribution schemes. The amount charged in respect of the pension costs, the contributions payable in the year are included within the appropriate expenditure heading in the Statement of Financial Activities.

Allocation of costs

Whenever possible expenditure is allocated to an activity cost category. Where items of expenditure contribute directly to more than one activity cost, they are apportioned on a reasonable, justifiable and consistent basis. Management and administration costs are also, wherever possible, attributed to a single activity but where apportionment is required this is done on a reasonable, justifiable and consistent basis. Governance costs comprise the costs of running the charity, including strategic planning for its future development, external audit, any legal advice for the College's Governors, and all the costs of complying with the constitutional and statutory requirements, such as costs of Governor and Committee meetings and of preparing the statutory accounts and satisfying public accountability.

Debtors

Trade and other debtors are recognised at the settlement amount due 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 cash in hand includes cash and short term highly liquid investments with a short maturity of 31 days or less from the date of acquisition or opening of the deposit or similar account.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES (*continued*)

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

Reserves

The policies for restricted endowment funds are as follows:

Bursary Fund including Churches of Christ

The Governors use the income of the Bursary Fund for student support in conjunction with grants from sponsoring churches

Prize Fund

The income from this fund is used to award prizes to the students

Library Fund

The income from this fund is applied to provide library facilities. Transfers are also made from the general funds to meet these costs.

Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2. VOLUNTARY INCOME

	Unrestricted funds	Total funds 2020
	£	£
Donations	1,385	1,385
Legacies	70	70
	<u>1,455</u>	<u>1,455</u>
	Unrestricted funds	Total funds 2019
	£	£
Donations	1,794	1,794
Legacies	70	70
	<u>1,864</u>	<u>1,864</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Bank interest receivable	1,953	-	1,953
Other interest receivable	2,024	-	2,024
Other investment income	132,640	1,872	134,511
	<u>136,617</u>	<u>1,872</u>	<u>138,489</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Bank interest receivable	2,060	-	2,060
Other interest receivable	4,410	-	4,410
Other investment income	159,781	2,192	161,793
	<u>166,251</u>	<u>2,192</u>	<u>168,443</u>

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
URC student and RCL funding	348,772	367,055
Movarian student fees	9,747	9,817
Other income	19,196	29,667
	<u>377,715</u>	<u>406,539</u>

5. COST OF RAISING FUNDS

	Unrestricted funds £	Total funds 2020 £
Investment management costs	23,682	23,682
	<u>23,682</u>	<u>23,682</u>

	Unrestricted funds £	Total funds 2019 £
Investment management costs	25,050	25,050
	<u>25,050</u>	<u>25,050</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

6. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Training for mission and ministry	365,381	-	365,381
Support costs	180,367	9,870	190,237
	<u>545,748</u>	<u>9,870</u>	<u>555,618</u>
			Total
	Unrestricted Funds £	Restricted Funds £	Funds 2019 £
Training for mission and ministry	338,903	-	338,903
Support costs	161,302	8,674	169,976
	<u>500,205</u>	<u>8,674</u>	<u>508,879</u>

7. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

		Activities undertaken directly £	Governance & support costs £	Total Funds 2020 £
Training for mission and ministry		365,381	174,921	540,302
Governance costs	8	-	15,316	15,316
		<u>365,381</u>	<u>190,237</u>	<u>555,618</u>
				Total
		Activities undertaken directly £	Governance & support costs £	Funds 2019 £
Training for mission and ministry		338,903	155,695	494,598
Governance costs	8	-	14,281	14,281
		<u>338,903</u>	<u>169,976</u>	<u>508,879</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

8. GOVERNANCE & SUPPORT COSTS

	Unrestricted Funds £	Total Funds 2020 £
Admin staff costs and expenses	47,984	47,984
Treasurer and secretary expenses	2,185	2,185
College houses expenses and rates	5,981	5,981
Staff housing and relocation costs	36,324	36,324
Library block charge	34,000	34,000
Principal's emergency fund	3,003	3,003
Prizes, bursaries and scholarship	21,370	21,370
Telephone costs	4,284	4,284
Printing, postage and stationery	1,980	1,980
IT costs / maintenance	5,540	5,540
Advertising costs	1,580	1,580
Salaries and wages	325	325
Depreciation	10,608	10,608
<i>Governance Costs:</i>		
Audit and accountancy fees	8,088	8,088
Legal and professional fees	3,013	3,013
Costs of Trustees' meetings	3,683	3,683
Other financial costs	104	104
Other governance costs	185	185
	<hr/> 190,237 <hr/>	<hr/> 190,237 <hr/>
	Unrestricted Funds £	Total Funds 2019 £
Admin staff costs and expenses	56,268	56,268
Treasurer and secretary expenses	1,653	1,653
College houses expenses and rates	3,849	3,849
Staff housing and relocation costs	27,569	27,569
Library block charge	34,002	34,002
Principal's emergency fund	1,050	1,050
Prizes, bursaries and scholarship	8,674	8,674
Telephone costs	3,473	3,473
Printing, postage and stationery	1,819	1,819
IT costs / maintenance	5,784	5,784
Advertising costs	1,989	1,989
Salaries and wages	298	298
Depreciation	9,300	9,300
<i>Governance Costs:</i>		
Audit and accountancy fees	7,968	7,968
Legal and professional fees	13	13
Costs of Trustees' meetings	5,417	5,417
Other financial costs	533	533
Other governance costs	317	317
	<hr/> 169,976 <hr/>	<hr/> 169,976 <hr/>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

9. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging:

	2020	2019
	£	£
Auditors' remuneration:		
• audit of the financial statements	7,176	7,056
• preparation of the financial statements	912	912
	<u> </u>	<u> </u>

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	254,128	207,539
Social security costs	22,178	18,595
Pension costs	53,448	43,135
	<u> </u>	<u> </u>
	329,754	269,269
	<u> </u>	<u> </u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents (FTE) and actual headcount (HC), was as follows:

	2020	2020	2019	2019
	FTE	HC	FTE	HC
	No.	No.	No.	No.
Teaching and related staff	6	6	5	5
Administration staff	1	1	1	1

The salary of one member of teaching staff is funded 50% by the North Western Synod of the United Reformed Church and this funding ceased on 31st March 2020. The staff member continues half time for Northern College. The staff member is included in the above figures as one full time member of staff due to the full-time contract of employment being with the charity.

No employee received remuneration of more than £60,000 during the year (2019 - NIL).

9 Trustees were reimbursed expenses totalling £2,889 (2019: 13 trustees £2,300) in relation to travel expenses. Included within this, The Principal (a Trustee) was reimbursed £1,334 (2019: £2,650). These expenses were in relation to the role of Principal.

Key management personnel comprise the Trustees and the Principal. The Principal is the only Trustee remunerated by the College. This is in relation to the role of Principal. No remuneration was paid in connection with her role as Trustee. Remuneration amounted to £50,269 (2019: £49,677). Employers' pension contributions included in this total, amounted to £7,537 (2019: £7,052).

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

11. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures & Fittings £	Total £
COST			
At 1 September 2019	465,000	15,634	480,634
Additions	-	4,424	4,424
At 31 August 2020	<u>465,000</u>	<u>20,058</u>	<u>485,058</u>
DEPRECIATION			
At 1 September 2019	35,805	15,634	51,439
Charge for the year	9,300	1,308	10,608
Eliminated on disposals	-	-	-
At 31 August 2020	<u>45,105</u>	<u>16,942</u>	<u>62,047</u>
NET BOOK VALUE			
At 31 August 2020	<u>419,895</u>	<u>3,116</u>	<u>423,011</u>
At 31 August 2019	<u>429,195</u>	<u>-</u>	<u>429,195</u>

12. INVESTMENTS

Movement in market value

	2020 £	2019 £
Market value at 1 September 2019	5,559,295	5,541,161
Acquisitions at cost	820,009	738,919
Disposals at carrying value	(1,025,789)	(572,728)
Gains / (Losses) on revaluation	106,783	(148,057)
Market value at 31 August 2020	<u>5,460,298</u>	<u>5,559,295</u>

All investments above are held at market valuation.

Analysis of investments at 31 August 2020 between funds

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Listed investments					
UK Quoted fixed interest Securities	<u>5,414,926</u>	<u>5,359</u>	<u>40,013</u>	<u>5,460,298</u>	<u>5,559,295</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

13. DEBTORS

	2020	2019
	£	£
Trade debtors	7,633	16,193
Loans to Luther King House Educational Trust	138,331	157,063
Other debtors	700	700
Accrued Income	9,753	11,971
	<u>156,417</u>	<u>185,927</u>

14. CREDITORS: Amounts falling due within one year

	2020	2019
	£	£
Taxation and social security	5,654	5,176
Accruals and deferred income	12,358	13,550
	<u>18,012</u>	<u>18,726</u>

15. ENDOWMENT FUNDS

	Balance at 1 Sep 2019 £	Transfers £	Gains and losses £	Balance at 31 Aug 2020 £
Permanent endowments				
Bursary Fund	249,779	–	(3,195)	246,584
Prize Fund	11,088	–	(142)	10,946
Library Fund	60,547	–	(774)	59,773
	<u>321,414</u>	<u>–</u>	<u>(4,111)</u>	<u>317,303</u>

	Balance at 1 Sep 2018 £	Transfers £	Gains and losses £	Balance at 31 Aug 2019 £
Permanent endowments				
Bursary Fund	249,779	–	-	249,779
Prize Fund	11,088	–	-	11,088
Library Fund	60,546	–	1	60,547
	<u>321,413</u>	<u>–</u>	<u>1</u>	<u>321,414</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2019 £	Incoming resources £	Outgoing resources and transfers £	Gains, losses and transfers £	Balance at 31 Aug 2020 £
Bursary Fund	41,603	1,497	(8,470)	(532)	34,098
Prize Fund	(728)	53	(1,400)	2,075	-
Library Fund	2,169	322	-	(28)	2,463
	<u>43,044</u>	<u>1,872</u>	<u>(9,870)</u>	<u>1,515</u>	<u>36,561</u>

	Balance at 1 Sep 2018 £	Incoming resources £	Outgoing resources and transfers £	Gains, losses and transfers £	Balance at 31 Aug 2019 £
Bursary Fund	47,725	1,758	(7,880)	-	41,603
Prize Fund	-	66	(794)	-	(728)
Library Fund	1,801	368	-	-	2,169
	<u>49,526</u>	<u>2,192</u>	<u>(8,674)</u>	<u>-</u>	<u>43,044</u>

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2019 £	Incoming resources £	Outgoing resources and transfers £	Gains, losses and transfers £	Balance at 31 Aug 20 £
General Funds	<u>6,360,400</u>	<u>515,787</u>	<u>(569,430)</u>	<u>22,897</u>	<u>6,329,654</u>

	Balance at 1 Sep 2018 £	Incoming resources £	Outgoing resources and transfers £	Gains, losses and transfers £	Balance at 31 Aug 2019 £
General Funds	<u>6,289,933</u>	<u>574,654</u>	<u>(525,255)</u>	<u>21,068</u>	<u>6,360,400</u>

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2020 Total £
Tangible fixed assets	423,011	-	-	423,011
Investments	5,414,926	5,359	40,013	5,460,298
Net current assets	491,717	31,202	277,290	800,209
	<u>6,329,654</u>	<u>36,561</u>	<u>317,303</u>	<u>6,683,518</u>

	Unrestricted funds £	Restricted funds £	Endowment funds £	31 Aug 2019 Total £
Tangible fixed assets	429,195	-	-	429,195
Investments	5,506,610	7,034	45,651	5,559,295
Net current assets	424,595	36,010	275,763	736,368
	<u>6,360,400</u>	<u>43,044</u>	<u>321,414</u>	<u>6,724,858</u>

19. RELATED PARTY TRANSACTIONS

Details of transactions with Trustees are provided at note 9. There were no further related party transactions in the year (2019: £Nil)

20. EVENTS AFTER THE REPORTING PERIOD

Northern College's Ethical Investment Policy was reviewed during the year and a decision to withdraw from fossil fuel investments. In practice, this meant instructing Brewin Dolphin to sell the college's holdings in Royal Dutch Shell amounting, at the time of instruction, to approximately £91k. Subsequently, Northern College was at the forefront of press and denominational coverage that showed the college as driving forward on this environmental decision. It emerged, however, that Brewin Dolphin had not sold the holdings in Royal Dutch Shell when instructed to do so and, because the public reputation of the college was then at risk, had to be instructed to sell as soon as the mistake came to light; this was when the market had fallen considerably. Compensation of £13,873.20 was received after the year end.

NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2020

21. Analysis of changes in Net Debt

	At 1 Sept 2019 £	Cashflows £	At 31 Aug 2020 £
Cash at bank and in hand	<u>569,167</u>	<u>92,637</u>	<u>661,804</u>

	At 1 Sept 2018 £	Cashflows £	At 31 Aug 2019 £
Cash at bank and in hand	<u>582,935</u>	<u>(13,768)</u>	<u>569,167</u>