

**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

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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.

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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
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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 St George's House 215-219 Chester Road Manchester M15 4JE
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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: Congregational Integra Insurance Solutions Ltd Curren House Curren Street Bradford West Yorkshire BD1 5BA
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NORTHERN COLLEGE (UNITED REFORMED AND CONGREGATIONAL)

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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.

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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.

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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.

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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.

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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).

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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

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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.

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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

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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.

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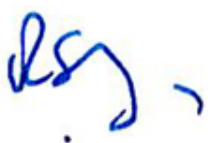
TRUSTEES' RESPONSIBILITIES STATEMENT

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.

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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		515,787	1,872	-	517,659	576,846
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		(569,430)	(9,870)	-	(579,300)	(533,929)
NET-INCOME (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		(53,643)	(7,998)	-	(61,641)	42,917
OTHER RECOGNISED GAINS AND LOSSES						
Gains on investment assets		24,963	(551)	(4,111)	20,301	21,069
TRANSFERS BETWEEN FUNDS		(2,066)	2,066	-	-	-
NET MOVEMENT IN FUNDS		(30,746)	(6,483)	(4,111)	(41,340)	63,986
RECONCILIATION OF FUNDS						
Total funds brought forward		6,360,400	43,044	321,414	6,724,858	6,660,872
TOTAL FUNDS CARRIED FORWARD		6,329,654	36,561	317,303	6,683,518	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	<u>(18,012)</u>	<u>(18,726)</u>
NET CURRENT ASSETS		<u>800,209</u>	<u>736,368</u>
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:

Sheila M Davies

Mrs Sheila M Davies
President

Willie Duncan

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>
	Unrestricted Funds £	Restricted Funds £	Total 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>
		Activities undertaken directly £	Governance & support costs £	Total 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
	<u>190,237</u>	<u>190,237</u>
	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
	<u>169,976</u>	<u>169,976</u>

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	<u>912</u>	<u>912</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	<u>53,448</u>	<u>43,135</u>
	<u>329,754</u>	<u>269,269</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 FTE No.	2020 HC No.	2019 FTE No.	2019 HC 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>