

**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

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 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.



**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		478,495	1,767	-	480,262	517,659
RESOURCES EXPENDED						
Raising funds	5	(27,352)	-	-	(27,352)	(23,682)
Charitable Activities	6	(502,796)	(7,060)	-	(509,856)	(555,618)
TOTAL RESOURCES EXPENDED		(530,148)	(7,060)	-	(537,208)	(579,300)
NET (EXPENDITURE) BEFORE GAINS, LOSSES AND TRANSFERS		(51,653)	(5,293)	-	(56,946)	(61,641)
OTHER RECOGNISED GAINS AND LOSSES						
Gains on investment assets		1,094,501	583	5,062	1,100,146	20,301
TRANSFERS BETWEEN FUNDS		(345)	345	-	-	-
NET MOVEMENT IN FUNDS		1,042,503	(4,365)	5,062	1,043,200	(41,340)
RECONCILIATION OF FUNDS						
Total funds brought forward		6,329,654	36,561	317,303	6,683,518	6,724,858
TOTAL FUNDS CARRIED FORWARD		7,372,157	32,196	322,365	7,726,718	6,683,518

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		<u>701,519</u>	<u>800,209</u>
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>
	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>

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>
		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>

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	<u>1,155</u>	<u>912</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	<u>49,027</u>	<u>53,448</u>
	<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 FTE No.	2021 HC No.	2020 FTE No.	2020 HC 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>