

CLIFF COLLEGE

England & Wales · Charity number 529386

Details

Status Registered

Legal form Other

Registered 1967-02-27

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

Contact

Address Cliff College
Calver
Hope Valley
S32 3XG

Phone 01246584200

Email reception@cliffcollege.ac.uk

Website www.cliffcollege.ac.uk

Activities

Objects: A METHODIST COLLEGE FOR THE TRAINING OF THE LAITY.

Activities: Cliff College delivers university level education from undergraduate degrees through to doctoral research. It also trains people for Christian ministry in the contemporary world and provides a community within which students are encouraged to develop as Christian disciples and leaders.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services
- **What:** Education/training, Religious Activities
- **Who:** Other Charities Or Voluntary Bodies, Other Defined Groups

Geography

- Ireland
- Nigeria
- Sierra Leone
- Uganda
- Zimbabwe
- Sheffield City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£2,261,032	£2,726,932	£9,814,118	42
2023-08-31	£1,819,249	£2,724,627	£10,278,912	43
2022-08-31	£2,057,434	£2,737,244	£11,015,285	43
2021-08-31	£1,919,618	£2,350,529	£11,517,160	42
2020-08-31	£2,802,216	£2,661,823	£8,752,440	42

Trustees

Name	Role	Appointed
Karen Sheila Stefanyszyn	Chair	2024-09-01
Joan Ryan		2024-03-20
Rev Janet Mary Unsworth		2023-09-01
Rev Leslie Michael Newton		2021-09-01
STEPHEN WINFIELD HOLLIDAY		2024-03-20

CLIFF COLLEGE

England & Wales - Charity number 529386

Accounts

CHARITY REGISTRATION NUMBER 529386

**CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2024**

CLIFF COLLEGE

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CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Reference and Administration Details

Trustees Karen Stefanyszyn (Chair)
Revd Mark Hammond (Vice – Chair)
Mr Stephen Holliday
Revd Leslie Newton
Joan Ryan
Revd Janet Unsworth

Charity number 529386

Principal address Cliff College
Calver
Hope Valley Derbyshire
S32 3XG

Auditors Hawsons Chartered Accountants
Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

Bankers HSBC
Belgravia Branch
The Peak
333 Vauxhall Bridge Road London
SW1V 1EJ

Solicitors Graysons Solicitors
Courtwood House
Silver Street Head
Sheffield
S1 2DD

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2024.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice.

Structure, governance and management

The Charity is governed by two charitable trust deeds, one dated 1903 and a second dated 1930. The CCC Trustees who served during the year were:

Revd Loraine Mellor (Chair) (resigned 31 August 2024)
Revd Mark Hammond (Vice – Chair)
Revd Ashley Cooper (Principal) (resigned as a trustee 1 September 2024)
Revd Jonathan Dean (appointed 25 September 2023) (resigned 10 July 2024)
Stephen Holliday (resigned 25 September 2023) (re-appointed 20 March 2024)
Jude Levermore (appointed 25 September 2023) (resigned 31 January 2024)
Revd Leslie Newton
Revd Raj Patta (resigned 25 September 2023)
Joan Ryan (resigned 25 September 2023) (re-appointed 20 March 2024)
Revd Paul Smith (resigned 25 September 2023)
Revd Janet Unsworth (appointed 25 September 2023)

The CCC is appointed by the Methodist Council. In the appointment of members to serve on the CCC, the Methodist Church seeks to employ the widest possible range of skills and expertise, and fully bears this in mind when inviting new managing trustees to take up their responsibilities. Each member of the CCC is a member of a sub-group that meets to scrutinise and report on an element of the College's life and work. All new CCC members are inducted in briefing meetings with the Principal and senior staff members.

Appointments to the CCC are for an initial period of three years, with the option to extend for up to a further three years. Thereafter, a member may serve for a further year if the nomination is supported by 75% of the members present at a meeting to consider the nomination.

The ultimate responsibility for the College lies with Methodist Conference and, as the College is part of the wider Methodist Church, it is governed by Methodist Church standing orders and the decisions made annually by the Methodist Conference. The Trusteeship is held by the Methodist Council which appoints the CCC to govern the College.

The strategic direction of the Charity is set by the CCC which then delegates the day-to-day running of the College to the College's Senior Strategy Group (an internal management group consisting of the Principal, Vice Principal Academic, Vice Principal Mission and Chief Operating Officer). The CCC Chair and Vice-Chair receive the minutes of the Senior Strategy Group meetings and attend meetings when appropriate. The Senior Strategy Group reports to the CCC at each of its meetings.

The CCC also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the commercial trading arm of the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Objectives and activities

The College's vision is to be 'A Global Centre for Evangelism and Missiology'. Cliff College's uniqueness is as a community being formed by God's Spirit and centred on God's Word, equipping people for practical ministry and engaging in mission.

In living out this vision, the College recognises its commitment to the Methodist Church and its heritage in the Wesleyan family; it exists to train people in mission and evangelism, which aims to impact all sections of the church and serve the widest possible constituency. These are achieved through:

- a range of validated courses and programmes with mission and evangelism at their core
- short courses, Ministry and Ministry Development courses and a Summer School to serve the needs of lay people in the church
- support for missional impact across the Methodist Church of Britain and wider
- an annual Festival to deliver a vibrant programme for all ages
- the 'Cliff Year', a year of vocational exploration for young people
- the conference centre to provide accommodation for individuals and groups
- Global partnerships to support lay and ordained training across the globe

Cliff College exists for the charitable purposes of the advancement of education and of the advancement of religion. All other charitable activities undertaken by the College are to further the attainment of its vision. The CCC have paid due regard to the guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

Risk factors

The CCC have assessed the major risks to which the Charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained by the Senior Strategy Group and the register is reviewed by the CCC.

The most serious risks to Cliff College's survival and development are identified as:

1. insufficient student numbers leading to a loss in income
2. insufficient conference centre bookings
3. changes in Government legislation and/or the policies of our partners including the University of Manchester
4. a renegotiation of the College's relationship with the Methodist Church
5. negative publicity leading to a loss of confidence for the College's position within the UK church and Higher Education sector
6. rising inflationary costs that outstrip rising income caused by changes in student residencies and ongoing cost of living crisis

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

These risks have been managed in a variety of ways:

1. In terms of student recruitment, the College website has proved effective with much clearer and concise course information being made available and has provided good links to the College's growing social media presence. Our 'Admissions Officer' has worked to make applying for our courses more streamlined. Recruitment processes have been developed online with successful virtual open days.
2. The creation of a new Commercial Manager role to increase income and profitability of the Conference Centre. We have seen a significant uptake in conference centre bookings during this year.
3. The College remains up to date with government policy and maintains good relationships with the Office for Students. Relevant staff members have undertaken training to ensure compliance in key areas. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood. The College has undergone an Institutional and Periodic Review by the University of Manchester, the outcome of which was a renewed relationship with the University of Manchester as our validating partner for a further five years.
4. The Methodist Church is undergoing a training review which will enable clear expectations to be set and managed between the College and the church.
5. As required, the College's presence in media and social media has been closely monitored, and advice has been taken where needed to ensure that the College is represented fairly. Managing the College's public reputation is an activity which is shared by the Methodist Church in Britain, who have committed to fund potential liability arising from the College's actions.
6. A clear strategy to a staged release of funds from surplus investment properties to Strengthen College reserves.

Achievements and performance

The College runs taught academic programmes at both undergraduate and postgraduate levels, as well as supervising research programmes. All of the College's academic programmes are validated by the University of Manchester, and the College has an active Collaborative Agreement with the University's School of Arts, Languages, and Cultures.

In September 2023 we launched the new BA Theology and Mission programme (validated by the UoM) enhancing the quality of courses we are able to offer. This programme is our first undergraduate, fully hybrid programme which gives new opportunities of study and will aid recruitment.

We are also in the process of teaching out two degree programmes

- Certificate, Diploma and Bachelors (Honours) degree programmes in Theology and Ministry
- Certificate, Diploma and Bachelors (Honours) degree programmes in Mission and Ministry

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Postgraduate programmes include Postgraduate Certificate, Diploma and Masters degree programmes in Mission. Students may study on specialist pathways, including:

- Biblical Theology and Mission
- Children's and Youth Mission
- Christian Mentoring
- Disability, Theology and Mission
- Leadership, Mission and Renewal
- Literature, Theology and Culture
- Mission and Evangelism
- Mission and Global Justice
- Pioneering Ministries/Fresh Expressions

The College provides supervision for students on doctoral programmes, which are awarded by the University of Manchester. Alongside a standard PhD, the College also has a professional doctorate programme, the PhD Missiology.

The College's academic team continues to develop and deliver various courses in effective ways so that the educational and religious aims of the Charity continue to be achieved, including increasingly online. As part of its Christian heritage, and by provision being built into the learning objectives of accredited programmes, Cliff College students continue to engage in periods of placement and mission. For full-time students these placement experiences significantly increase their employability. Most part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

The College also maintains three research centres, providing annual lectures and research opportunities on three topics:

- The Samuel Chadwick Centre: focussing on gathering and disseminating the fruits of research in pneumatology with particular reference to the Wesleyan, Pentecostal and charismatic traditions.
- The Bible, Church and Gender Centre: focusing on biblical and practical gender studies and how these intersect and inform the lives of women and men in the contemporary church
- Generation: the centre for the study of youth, children and families mission and ministry

During this year, the College has been developing links with the Methodist Church in Britain (MCB) to offer shared work and research in the area of Children Youth and Family.

The College is also a member of the Manchester Wesley Research Centre, which connects the College with other institutions in the Methodist, Wesleyan, Evangelical, Holiness and Pentecostal traditions, and resources research and scholarship.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Cliff Global Partnerships

Cliff College's work with global partners focuses on three main areas:

- In-country training: providing training and support for training, in partnership with local training centres, at a variety of levels to meet the local needs.
- Immersion trips: providing experiences of the global church to groups of individuals from the UK, including from Cliff College.
- Theology X: providing a learning platform that underpins in-country training.

The College works in partnership with the Methodist Church Global Relationships team in developing relationships with a number of British Methodist Church partners and their theological institutions. In this year, this has included continued support and development for theological and practical training in Sierra Leone, Nigeria and Zimbabwe. The College was represented at the Wesley Theological Society held in the US during February 2024, as well as present at the General Conference of the United Methodist Church meeting in Charlotte, USA in May 2024 and it continues to develop strong links with the Methodist Church in Ireland and the European Methodist eAcademy.

Library

The library is a valuable resource for students, not only for those attending internal courses but also for others who come to carry out their research activities. The move to online learning has led to a significant investment in the Digital Theology Library, to support the physical resources at Cliff. The archive section continues to grow in size and importance, attracting students wishing to explore Methodist history and heritage in detail. During the year, further acquisitions of relevant material for both the archive and the library have been made.

Festival

The Cliff College 'Festival' is a major public event that the College holds each year over the second bank holiday weekend in May. Festival is supported by Methodist Church partners, the Methodist Church Learning Network and the charity 'All We Can'. Festival is a resource for church groups and individuals as well as being an important aspect of our student recruitment activity and opportunity for students to put their learning into practice.

CCO (Cliff College Outreach Limited)

CCO is the trading arm of the College, providing a range of activities that support the charitable aims of the College. There are two specific areas of activity the CCO oversees:

- The Conference Centre provides high-quality facilities and modern accommodation options across the site to a wide range of customers.
- Theology X Commercial provides an online learning platform for a range of other organisations, both in the UK and across the globe. It also provides access to professional studio recording and editing facilities, in order for partners to build high-quality online learning opportunities.

The Board of Directors continues to actively monitor the financial context in which CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges. Any profits from CCO are provided to College for its charitable purposes.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Financial review

From a financial point of view, the College had an expected difficult year; however, investment in recruitment processes means that student number forecasts for next year are healthy, and conference bookings are starting to move in the right direction. Investment Property rentals remained strong although a revised strategy is in place to see vacant or under-utilised investment properties released to replenish reserves by circa £1m during the next two financial years thus supporting the ongoing work of the College and to enable an effective working cashflow.

The College continues to make students aware of their financial responsibilities and to this end all new undergraduate students are provided with information and support in managing their personal finances. One-to-one 'finance' interviews are held with all residential students and students that attend site for teaching weeks, in which they are made aware of the specific charges that they will be required to pay to the College for tuition fees and residential fees; a payment plan is then agreed upon. Many UK students are able access loans from the Student Loans Company to finance their studies. Throughout the year, student accounts are closely monitored to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, while some of our Master's programme students are funded by their employer, these loans are beneficial to those who are not.

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies and have continued to provide this support during the year. The outcome of this generosity is that many investments have been made to provide an income, some for the specific benefit of the students and some to provide general income for the College. Most of the funds are invested through either the Trustees for Methodist Church Purposes (TMCP) or the Central Finance Board of the Methodist Church (CFB) and are therefore subject to the Methodist Church's ethical investment policy. The College remains committed to moving its investments, where possible, into higher yielding funds without compromising its commitment to a low-risk investment strategy as befits a charity.

Arrangements for setting the remuneration of key management personnel

The salaries of key management personnel are set by the CCC, with reference to recommended ministerial stipend set by the Methodist Church for ordained staff, with other salary levels set alongside those offered in the theological college sector (for teaching staff), and general salary levels (for non-teaching staff) with the Living Wage Foundation Living Wage as a benchmark. The Senior Strategy Group are now part of the Methodist Church's Connexional Team, and salaries for these members of staff are set by the Connexional Team.

Reserves policy

At the 31 August 2024 the College held total reserves of £9,814,118 of which £9,623,729 were held as unrestricted funds. During the year, the College received income of £2,261,032 and had expenditure of £2,726,932 which after gains on investments of £1,106 resulted in a net decrease in reserves of £464,794. The decrease in reserves resulted in the College having an overall deficit in free reserves of £413,223.

It is the policy of the College that free reserves, within unrestricted funds, which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The level of free reserves at 31 August 2024 is not consistent with this policy. The CCC are aware that this is outside of the College's reserves policy and have agreed a strategy to restore reserves to an appropriate level (the sale of asset properties is part of this strategy). The ongoing support of the Methodist Church remains pivotal as we seek to return the College to surplus. They therefore consider that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

Plans for the future

The College has recognised that greater diversity in income is essential, and this is reflected in the work of the conference centre and commerciality of TheologyX. A new 2-year strategy is being developed and will be implemented ready for September 25. This plan directs the work of the College in developing its two core income streams:

- Providing a full range of accessible learning opportunities, at all levels, to grow a vibrant and diverse student body, both onsite and online.
- Maximising the use of the Conference Centre, both for external conference bookings as well as leisure rentals and clear exploration of the needs and requirements of the site.

In the shorter term our priority is to replenish reserves. This will provide the College with a firm financial foundation on which to move forward with the developing strategy highlighted above.

Statement of disclosure to auditors

The Trustees of the charity at the date of approval of this Annual Report each confirm that:

- as far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that we ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board of managing trustees on 5 February 2025



Karen Stefanyszyn (Chair)

CLIFF COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Opinion

We have audited the financial statements of Cliff College (the 'charity') and its subsidiary (the 'group') for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Statement of Financial Activities, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 August 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011;
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

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 group and parent 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 and 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.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

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; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

In the light of our knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 9, 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 group and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The parent is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the parent to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. 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.

Hawsons

Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

5 February 2025

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CLIFF COLLEGE

**GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2024	Total 2023
		£	£	£	£	£
Income from:						
Donations and legacies	2	991,814	100,000	-	1,091,814	850,651
Charitable activities	3	470,014	-	-	470,014	475,432
Other trading activities	4	447,844	-	-	447,844	307,703
Investments	5	10,372	-	-	10,372	14,253
Other	6	240,988	-	-	240,988	171,210
Total income		2,161,032	100,000	-	2,261,032	1,819,249
Expenditure on:						
Charitable activities	7	2,126,784	35,740	-	2,162,524	2,199,453
Other		564,408	-	-	564,408	525,174
Total expenditure		2,691,192	35,740	-	2,726,932	2,724,627
Gains/(losses) on investments	12	-	-	1,106	1,106	(995)
Net (expenditure)/income		(530,160)	64,260	1,106	(464,794)	(906,373)
Transfer between funds		74,599	(74,599)	-	-	-
Other recognised gains						
Gains on revaluation of fixed assets		-	-	-	-	170,000
Net movement in funds		(455,561)	(10,339)	1,106	(464,794)	(736,373)
Fund balances brought forward		10,079,290	184,765	14,857	10,278,912	11,015,285
Fund balances carried forward		9,623,729	174,426	15,963	9,814,118	10,278,912

CLIFF COLLEGE

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2024**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2024	Total 2023
		£	£	£	£	£
Income from:						
Donations and legacies	2	991,814	100,000	-	1,091,814	850,651
Charitable activities	3	470,014	-	-	470,014	475,432
Other trading activities	4	487	-	-	487	865
Investments	5	10,372	-	-	10,372	14,253
Other	6	593,302	-	-	593,302	271,210
Total income		2,065,989	100,000	-	2,165,989	1,612,411
Expenditure on:						
Charitable activities	7	2,126,784	35,740	-	2,162,524	2,199,453
Other		492,487	-	-	492,487	343,695
Total expenditure		2,619,271	35,740	-	2,655,011	2,543,148
Gains/(losses) on investments	12	-	-	1,106	1,106	(995)
Net (expenditure)/income		(553,282)	64,260	1,106	(487,916)	(931,732)
Transfer between funds		74,599	(74,599)	-	-	-
Other recognised gains						
Gains on revaluation of fixed assets		-	-	-	-	170,000
Net movement in funds		(478,683)	(10,339)	1,106	(487,916)	(761,732)
Fund balances brought forward		10,093,256	184,765	14,857	10,292,878	11,054,610
Fund balances carried forward		9,614,573	174,426	15,963	9,804,962	10,292,878

CLIFF COLLEGE

**CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2024**

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	10,036,952	10,247,411
Investments	12	15,963	14,857
		<u>10,052,915</u>	<u>10,262,268</u>
Current assets			
Debtors	13	126,311	272,954
Cash at bank and in hand		165,293	251,968
		<u>291,604</u>	<u>524,922</u>
Creditors: amounts falling due within one year	14	<u>(446,401)</u>	<u>(396,278)</u>
Net currents (liabilities)/assets		<u>(154,797)</u>	<u>128,644</u>
Total assets less current liabilities		<u>9,898,118</u>	<u>10,390,912</u>
Creditors: amounts falling due after more than one year	15	<u>(84,000)</u>	<u>(112,000)</u>
Net assets		<u>9,814,118</u>	<u>10,278,912</u>
Capital funds			
Endowment funds	17	15,963	14,857
Income funds			
Restricted funds	18	174,426	184,765
Unrestricted funds General		9,623,729	10,079,290
		<u>9,814,118</u>	<u>10,278,912</u>

The financial statements were approved and authorised for issue by the Board on 5 February 2025

Signed on behalf of the board of Trustees



Karen Stefanyszyn (Chair)



Reverend Andrew Stobart – OfS accountable officer

CLIFF COLLEGE

CHARITY BALANCE SHEET YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	11	10,036,952	10,247,411
Investments	12	15,963	14,857
		<u>10,052,915</u>	<u>10,262,268</u>
Current assets			
Debtors	13	135,458	260,807
Cash at bank and in hand		102,694	236,400
		<u>238,152</u>	<u>497,207</u>
Creditors: amounts falling due within one year	14	<u>(402,105)</u>	<u>(354,597)</u>
Net currents (liabilities)/assets		<u>(163,953)</u>	<u>142,610</u>
Total assets less current liabilities		<u>9,888,962</u>	<u>10,404,878</u>
Creditors: amounts falling due after more than one year	15	<u>(84,000)</u>	<u>(112,000)</u>
Net assets		<u>9,804,962</u>	<u>10,292,878</u>
Capital funds			
Endowment funds	17	15,963	14,857
Income funds			
Restricted funds	18	174,426	184,765
Unrestricted funds General		9,614,573	10,093,256
		<u>9,804,962</u>	<u>10,292,878</u>

The financial statements were approved and authorised for issue by the Board on 5 February 2025

Signed on behalf of the board of Trustees



Karen Stefanyszyn (Chair)



Reverend Andrew Stobart – OfS accountable officer

CLIFF COLLEGE**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2024**

	Notes	2024 £	2023 £
Cash flow from operating activities	20	(261,110)	(605,659)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(16,753)	(93,737)
Receipts from sale of tangible fixed assets		218,188	775,000
Interest received		10,372	14,253
Interest paid		<u>(9,372)</u>	<u>(5,924)</u>
Net cash flow from investing activities		<u>202,435</u>	<u>689,592</u>
Cash flow from financing activities			
Bank loan repayments		<u>(28,000)</u>	<u>(28,000)</u>
Net cash flow from financing activities		<u>(28,000)</u>	<u>(28,000)</u>
Net (decrease)/Increase in cash and cash equivalents		(86,675)	55,933
Cash and cash equivalents at beginning of year		<u>251,968</u>	<u>196,035</u>
Cash and cash equivalents at end of year		<u>165,293</u>	<u>251,968</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2024

1 Accounting policies

Charity information

Cliff College is a registered charity (no 529386). The principal address is Calver, Hope Valley, Derbyshire, S32 3XG.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements consolidate the accounts of Cliff College and Cliff College Outreach Limited (a company limited by guarantee, registered company number 02331438).

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the main functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

After due consideration of all relevant factors including the planned realisation of certain property assets and the ongoing support provided by the Methodist Church, the charity's income and cash flow forecasts and projections indicate that the charity should be able to continue to operate for the going concern assessment period. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.2 Charitable funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

1.3 Income recognition

Grants are accounted for on a receivable basis.

For legacies, entitlement and recognition is the earlier of receipt of the legacy or where it is probable that it will be received.

Donations received towards student fee sponsorship may be deferred for use in later years. The disbursements from this fund vary according to student needs.

Incoming resources from endowment funds are unrestricted and are transferred to unrestricted funds at the end of the financial year.

Student fees invoiced in advance are treated as deferred income.

1.4 Expenditure recognition

Resources expended are recognised in the year in which the liability is incurred.

Costs of raising funds relate to the cost of providing conference facilities and other fundraising activities.

Expenditure relating to charitable activities includes all the costs, including support costs, relating to the running of the college as an educational institution.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Straight line over 100 years
Property refurbishment	Straight line over 15 years
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income / (expenditure) for the year.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on revaluation of fixed assets in the SoFA.

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2024

1.6 Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gain/losses in the SOFA.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.8 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

The charity participates in a multi-employer defined benefit scheme, as the proportion attributable to the charity is not separately identifiable, the pension schemes are accounted for as defined contribution pension schemes in the accounts. Following the closure of the defined benefit pension scheme the charity contributed to a defined contribution pension scheme. Further details are included in note 16.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.11 Judgements and key sources of estimation uncertainties

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have based their estimate of the value of the land and buildings of the charity on independent professional valuations. The accuracy of these valuations could therefore have a material adjustment to the carrying amount of assets and liabilities.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

2	Donations and legacies	Group and Charity			
		Unrestricted Fund £	Restricted Fund £	Total 2024 £	Total 2023 £
	Donations and gifts	68,771	-	68,771	101,209
	Legacies receivable	20,358	-	20,358	168,069
	Grants from the Methodist Church	888,262	-	888,262	428,297
	Global Partnership income	-	100,000	100,000	100,000
	TheologyX income	-	-	-	27,000
	Other grants	14,423	-	14,423	26,076
		<u>991,814</u>	<u>100,000</u>	<u>1,091,814</u>	<u>850,651</u>
	For the year ended 31 August 2023	<u>750,561</u>	<u>100,000</u>		<u>850,651</u>
				2024 £	2023 £
	Legacies receivable				
	Unrestricted funds				
	M Woodlock-Smith			17,926	150,000
	J Robson			1,105	-
	M Smith-Croucher			-	12,000
	G Ware			-	8,205
	A Jackson			-	1,000
	A Moden			-	538
	S Britton			-	(3,674)
	Other - various			1,327	-
				<u>20,358</u>	<u>168,069</u>
3	Charitable activities	Group		Charity	
		2024 £	2023 £	2024 £	2023 £
	Student fees	376,854	426,101	376,854	426,101
	Festival Income	93,160	49,331	93,160	49,331
		<u>470,014</u>	<u>475,432</u>	<u>470,014</u>	<u>475,432</u>
4	Other trading activities	Group		Charity	
		2024 £	2023 £	2024 £	2023 £
	Trading income	<u>447,844</u>	<u>307,703</u>	<u>487</u>	<u>865</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

5	Investment income	Group and Charity				
		Unrestricted 2024 £	Unrestricted 2023 £			
	Central Finance Board Funds	10,372	14,253			
6	Other income	Group		Charity		
		2024 £	2023 £	2024 £	2023 £	
	Rental Income	146,594	108,059	266,594	198,059	
	Other income	94,394	63,151	326,708	73,151	
		<u>240,988</u>	<u>171,210</u>	<u>593,302</u>	<u>271,210</u>	
7	Charitable expenditure	Group and Charity				
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2024 £	Total 2023 £
	Staff costs	743,869	-	-	743,869	822,303
	Methodist Church stipends	167,355	-	-	167,355	156,559
	Student course costs	168,986	14,174	-	183,160	163,476
	Festival costs	99,225	-	-	99,225	145,785
	Global Partnership costs	-	21,566	-	21,566	34,964
	Theology X Platform costs	37,940	-	-	37,940	52,842
	Gain on disposal of fixed assets	(88,188)	-	-	(88,188)	-
		<u>1,129,187</u>	<u>35,740</u>	<u>-</u>	<u>1,164,927</u>	<u>1,375,929</u>
	Share of support costs (see note 8)	997,597	-	-	997,597	823,524
		<u>2,126,784</u>	<u>35,740</u>	<u>-</u>	<u>2,162,524</u>	<u>2,199,453</u>
	For the year ended 31 August 2023	<u>2,154,429</u>	<u>45,024</u>	<u>-</u>		<u>2,199,453</u>

In accordance with the Access and Participation Plan, the College has spent £41,000 (2023: £41,000) on Access Investment; £7,000 (2023: £5,000) on Financial Support Investment; £10,000 (2023: £10,000) on Support for Disabled Students; and £2,000 (2023: £2,000) on Research and Evaluation Investment.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

8 Allocation of support costs	Group and Charity		Total
	Charitable activities	Other activities	
2024	£	£	£
Governance	114,389	20,186	134,575
Finance	41,395	7,305	48,700
IT	106,017	18,709	124,726
Property costs	239,054	42,186	281,240
Depreciation	82,630	14,582	97,212
Office costs	141,777	25,020	166,797
Irrecoverable VAT	68,313	12,055	80,368
Other	204,022	36,004	240,026
	<u>997,597</u>	<u>176,047</u>	<u>1,173,644</u>
2023	£	£	£
Governance	49,732	8,776	58,508
Finance	53,290	9,404	62,694
IT	101,312	17,879	119,191
Property costs	130,228	22,981	153,209
Depreciation	74,162	13,087	87,249
Office costs	110,389	19,481	129,870
Irrecoverable VAT	74,228	13,100	87,328
Other	230,183	40,620	270,803
	<u>823,524</u>	<u>145,328</u>	<u>968,852</u>

Support costs have been allocated based on the relevant proportions of income.

Governance costs includes audit and accountancy fees for the year of £15,740 (2023: £14,900).

9 Trustees and key management remuneration

Cliff College is controlled by The Methodist Council, whose members are the Trustees of Cliff College and appoint the Cliff College Committee to serve as the governing body of the college.

The college considers its key management personnel to be its Senior Strategy Group which comprise the Principal, the Vice Principal Academic, the Vice Principal Mission and the Chief Operating Officer. The total amount of benefits received by key management personnel is £226,469 (2023: £214,130).

Other than the Principal who is part of the Senior Strategy Group, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year no expenses were reimbursed to members of the Cliff College Committee. In the prior year 6 members of the Committee were reimbursed a total of £1,244 relating to travel expenses.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

10 Employees – Group

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2024	2024	2023	2023
	Number	FTE	Number	FTE
Academic	12	11	12	10
Non Academic	30	24	31	24
	<u>42</u>	<u>35</u>	<u>43</u>	<u>34</u>

	Group	
Employment costs	2024	2023
	£	£
Wages and salaries	1,093,217	1,086,388
Social security costs	99,399	100,832
Other pension costs	<u>60,114</u>	<u>66,533</u>
Total staff costs	<u>1,252,730</u>	<u>1,253,753</u>

There are no employees whose annual emoluments were £60,000 or more.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2024

11 Tangible fixed assets

Group and Charity

	Investment Properties	Land and Buildings	Computer Equipment	Fixtures, Fittings & Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 September 2023	3,705,000	6,516,000	450,025	495,096	33,695	11,199,816
Additions	-	-	5,881	10,872	-	16,753
Transfer	260,000	(260,000)	-	-	-	-
Disposals	(130,000)	-	-	-	-	(130,000)
At 31 August 2024	3,835,000	6,256,000	455,906	505,968	33,695	11,086,569
Depreciation						
At 1 September 2023	-	92,380	376,396	466,446	17,183	952,405
Charge for the year	-	46,190	33,781	12,102	5,139	97,212
At 31 August 2024	-	138,570	410,177	478,548	22,322	1,049,617
Net book value						
At 31 August 2024	3,835,000	6,117,430	45,729	27,420	11,373	10,036,952
At 31 August 2023	3,705,000	6,423,620	73,629	28,650	16,512	10,247,411

Investment Properties included at valuation had a historical cost of £1,279,656 (2023: £1,279,656) with accumulated depreciation of £65,493 (2023: £65,493). Land and buildings included at valuation had a historical cost of £6,872,187 (2023: £7,002,187) with accumulated depreciation of £1,358,818 (2023: £1,358,818).

Freehold land and buildings were subject to independent professional valuation at 31 August 2022.

The Investment Properties were subject to independent professional valuations at 31 August 2023. A number of the investment properties have also been subject to independent professional valuations at 31 August 2024.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

12 Fixed asset investments

Group and Charity

	CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
Market value at 1 September 2023	14,830	27	14,857
Change in value in the year	<u>1,105</u>	<u>1</u>	<u>1,106</u>
Market value at 31 August 2024	<u>15,935</u>	<u>28</u>	<u>15,963</u>

The custodian trustees are the Trustees for the Methodist Connexional Funds (Registered) and the Trustees for Methodist Church Purposes. The market value of the investments has been provided by the Trustees for Methodist Church Purposes (TMCP).

13 Debtors	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade debtors	62,503	177,501	31,821	92,313
Amounts owed by group undertakings	-	-	39,829	73,041
Other debtors	11,179	23,622	11,179	23,622
Prepayments and accrued income	<u>52,629</u>	<u>71,831</u>	<u>52,629</u>	<u>71,831</u>
	<u>126,311</u>	<u>272,954</u>	<u>135,458</u>	<u>260,807</u>

14 Creditors: amounts falling due within one year	Group		Charity	
	2024 £	2023 £	2024 £	2023 £
Trade creditors	217,649	261,926	206,645	248,137
Tax and social security costs	50,746	44,089	20,031	22,667
Other creditors	18,161	18,178	18,161	18,178
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	<u>131,845</u>	<u>44,085</u>	<u>129,268</u>	<u>37,615</u>
	<u>446,401</u>	<u>396,278</u>	<u>402,105</u>	<u>354,597</u>

15 Creditors: amounts falling due after more than one year	2024	2023	2024	2023
	£	£	£	£
Bank Loan	<u>84,000</u>	<u>112,000</u>	<u>84,000</u>	<u>112,000</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

16 Pension costs

The College is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2024 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2024	2023
	%	%
Discount rate	5.0	5.2
RPI inflation rate	3.3	3.4
CPI inflation rate	2.7	2.8
Rate of increase in pensionable earnings	2.7	2.8
Rate of increase in pension payments	2.2/3.2/5.0	2.2/3.3/5.0

The major categories of the Scheme's assets (excluding money purchase AVCs) as a percentage of the total Scheme assets, were as follows:

	31 August 2024	31 August 2023
	%	%
Equities	-	-
Corporate bonds	-	46
Property	-	-
Cash	0.4	19
Liability driven investment	-	31
Annuities	99.6	4

The following amounts at 31 August 2024 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	54.2
Present value of scheme liabilities	55.1
	<hr/> 0.9
Net overfunding in Scheme	<hr/> (0.0)
Unrecognised assets	<hr/> (0.9)
Net Defined Benefit Asset	<hr/> (0.9)

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

16 Pension costs (continued)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the College is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the College. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. The College would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on that date.

A full actuarial valuation of the Scheme was carried out at 1 September 2023 by the Scheme Actuary. The valuation disclosed a past service deficit of £676,000. The shortfall revealed at 1 September 2023 was eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £700,000 (the shortfall plus interest) was transferred on 22 April 2024; and
- A further £50,000 was transferred on 22 April 2024 in support of the Scheme's secondary funding objective to purchase annuities with an insurance company.

The next full actuarial valuation is due to be carried out as at 1 September 2026.

The College contributed to a defined contribution pension scheme on behalf of its employees. The employer contributions paid to the Scheme during the year totalled £60,114 (2023: £66,533).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2024

17 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2024 £
General	8,598	-	-	-	771	9,369
Student prizes	6,259	-	-	-	335	6,594
	<u>14,857</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,106</u>	<u>15,963</u>
	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2023 £
General	8,979	-	-	-	(381)	8,598
Student prizes	6,873	-	-	-	(614)	6,259
	<u>15,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(995)</u>	<u>14,857</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes.

	As restated				
	Balance at	Income	Expenditure	Transfers	Balance
	1 September				31 August
	2023				2024
	£	£	£	£	£
Global Partnership	119,392	100,000	(21,566)	(74,599)	123,227
Bursary Fund	15,730	-	(14,174)	-	1,556
Welfare Fund	27,845	-	-	-	27,845
Other	21,798	-	-	-	21,798
	<u>184,765</u>	<u>100,000</u>	<u>(35,740)</u>	<u>(74,599)</u>	<u>174,426</u>

	Balance at	Income	Expenditure	Transfers	Balance at
	1 September				31 August
	2022				2023
	£	£	£	£	£
Global Partnership	81,861	100,000	(34,964)	(27,505)	119,392
Bursary Fund	25,790	-	(10,060)	-	15,730
Welfare Fund	27,845	-	-	-	27,845
Other	21,798	-	-	-	21,798
	<u>157,294</u>	<u>100,000</u>	<u>(45,024)</u>	<u>(27,505)</u>	<u>184,765</u>

Restricted funds

Global Partnership receives funding from the Methodist Church to arrange mission trips to developing countries.

The **Bursary Fund** exists to provide support to students who need help paying for their course fees.

The **Welfare Fund** exists to provide support to students who are in general financial difficulties. Disbursements are made according to need.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions placed upon it.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2024

19 Analysis of net assets between funds

2024	Unrestricted funds	Restricted funds	Endowment funds	Total 2024
	£	£	£	£
Charity				
Tangible fixed assets	10,036,952	-	-	10,036,952
Investments	-	-	15,963	15,963
Net current liabilities	(338,379)	174,426	-	(163,953)
Creditor greater than one year	(84,000)	-	-	(84,000)
	<u>9,614,573</u>	<u>174,426</u>	<u>15,963</u>	<u>9,804,962</u>
Cliff College Outreach				
Net current assets	9,156	-	-	9,156
Group	<u>9,623,729</u>	<u>174,426</u>	<u>15,963</u>	<u>9,814,118</u>
2023	Unrestricted funds	Restricted funds	Endowment funds	Total 2023
	£	£	£	£
Charity				
Tangible fixed assets	10,247,411	-	-	10,247,411
Investments	-	-	14,857	14,857
Net current assets	(42,155)	184,765	-	142,610
Creditor greater than one year	(112,000)	-	-	(112,000)
	<u>10,093,256</u>	<u>184,765</u>	<u>14,857</u>	<u>10,292,878</u>
Cliff College Outreach				
Net current assets	(13,966)	-	-	(13,966)
Group	<u>10,079,290</u>	<u>184,765</u>	<u>14,857</u>	<u>10,278,912</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

20 Reconciliation of net (expenditure) to net cash flow from operating activities	Group	
	2024 £	2023 £
Net (expenditure) for the year	(464,794)	(906,373)
Interest receivable	(10,372)	(14,253)
Interest payable	9,372	5,924
Losses on investments	(1,106)	995
Profit on disposal of fixed assets	(88,188)	-
Depreciation on tangible fixed assets	97,212	87,248
Decrease in debtors	146,643	59,537
Increase in creditors	50,123	161,263
Net cash flow from operating activities	(261,110)	(605,659)

21 Operating lease commitments

At 31 August 2024 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2024 £	2023 £
Within one year	3,853	3,853
Within two to five years	3,532	7,385
Total	7,385	11,238

22 Grant and Fee Income	Group	
	2024 £	2023 £
Grant Income from the OfS	14,423	16,346
Grant income from other bodies	-	10,000
Fee income for taught awards	284,767	322,117
Fee income for research awards	44,498	43,800
Fee income from non-qualifying courses	47,589	60,184
	391,277	452,447

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2024

23 Head of Provider Remuneration	Group	
	2024	2023
	£	£
Principal		
Stipend cost	36,700	34,613
Pension	7,678	7,243
Other non-taxable benefits (provision of Manse)	20,000	20,000

This remuneration package is in line with others in the theological college sector, and is in line with value and performance delivered. Performance is reviewed by the Board of Governors. As the Principal is an ordained minister in the Methodist Church in Britain, the remuneration is set by the stipend level of the Methodist Church in Britain

The head of provider's basic salary and remuneration are 1.8 times the median pay and remuneration of staff respectively, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

24 Related parties

Cliff College has a subsidiary company, Cliff College Outreach. Cliff College Outreach is a company limited by guarantee whose members are made up of the Cliff College Committee.

Cliff College Outreach was set up in 1988 in order to serve the College in the building of the Broadbelt and Eagles buildings and to act as the vehicle carrying out the trading activities of the charity as provider of conference accommodation to third parties during times when the buildings were not being used by the College for housing students.

The activities of Cliff College Outreach are in line with the policies and strategies of Cliff College, and indeed occupy the same premises and complement the overall charitable activities and financial strength of the charity. Details of the subsidiary company's assets at 31 August 2024 and results for the year then ended are as follows:

	Cliff College Outreach £
Turnover	447,357
Cost of sales	(162,259)
Gross profit	285,098
Administrative expenses	(261,976)
Profit for the year	23,122
Debtors	30,682
Cash at bank and in hand	62,599
	93,281
Creditors	(84,125)
Net assets	9,156

CLIFF COLLEGE

England & Wales - Charity number 529386

Accounts

CHARITY REGISTRATION NUMBER 529386

**CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2023**

CLIFF COLLEGE

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CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Reference and Administration Details

Trustees	Revd Loraine Mellor (Chair) Revd Ashley Cooper (Principal) Revd Jonathan Dean Revd Mark Hammond Revd Leslie Newton Revd Janet Unsworth
Charity number	529386
Principal address	Cliff College Calver Hope Valley Derbyshire S32 3XG
Auditors	Hawsons Chartered Accountants Statutory Auditor Pegasus House 463a Glossop Road Sheffield S10 2QD
Bankers	HSBC Belgravia Branch The Peak 333 Vauxhall Bridge Road London SW1V 1EJ
Solicitors	Graysons Solicitors Courtwood House Silver Street Head Sheffield S1 2DD

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2023.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice.

Structure, governance and management

The charity is governed by two charitable trust deeds, one dated 1903 and a second dated 1930. The members of the CCC who served during the year were:

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair) (resigned 25 September 2023)
Revd Ashley Cooper (Principal)
Revd Jonathan Dean (appointed 25 September 2023)
Ashley France (resigned 31 August 2023)
Revd Mark Hammond
Matthew Lee (resigned 24 March 2023)
Revd Leslie Newton
Revd Raj Patta (resigned 25 September 2023)
Joan Ryan (resigned 25 September 2023)
Revd Paul Smith (resigned 25 September 2023)
Revd Janet Unsworth (appointed 25 September 2023)

The CCC is appointed by the Methodist Council. In the appointment of members to serve on the CCC, the Methodist Church seeks to employ the widest possible range of skills and expertise, and fully bears this in mind when inviting new managing trustees to take up their responsibilities. Each member of the CCC is a member of a sub-group that meets to scrutinise and report on an element of the College's life and work. All new CCC members are inducted in briefing meetings with the Principal and senior staff members.

Appointments to the CCC are for an initial period of three years, with the option to extend for up to a further three years. Thereafter, a member may serve for a further year if the nomination is supported by 75% of the members present at a meeting to consider the nomination.

The ultimate responsibility for the College lies with Methodist Conference and, as the College is part of the wider Methodist Church, it is governed by Methodist Church standing orders and the decisions made annually by the Methodist Conference. The Trusteeship is held by the Methodist Council which appoints the CCC to govern the College.

The strategic direction of the charity is set by the CCC which then delegates the day-to-day running of the College to the College's Senior Strategy Group (an internal management group consisting of the Principal, Vice Principal Academic, Vice Principal Mission and Chief Operating Officer). The CCC Chair and Vice-Chair receive the minutes of the Executive Committee meetings and attend meetings when appropriate. The Executive Committee reports to the CCC at each of its meetings.

The CCC also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the commercial trading arm of the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Objectives and activities

The College's vision is to be 'A Global Centre for Evangelism and Missiology' Cliff College's uniqueness is as a community being formed by God's Spirit and centred on God's Word, equipping people for practical ministry and engaging in mission.

In living out this vision, the College recognises its commitment to the Methodist Church and its heritage in the Wesleyan family; it exists to train people in mission and evangelism, which aims to impact all sections of the church and serve the widest possible constituency. These are achieved through:

- a range of validated courses and programmes with mission and evangelism at their core
- short courses, Ministry and Ministry Development courses and a Summer School to serve the needs of lay people in the church
- evangelism and mission team to act as a catalyst for mission and evangelism in the church
- an annual Festival to deliver a vibrant programme for all ages
- the Cliff Year to provide young people with a year of vocational exploration
- the conference centre to provide accommodation for individuals and groups
- Global partnerships to support lay and ordained training across the globe

Cliff College exists for the charitable purposes of the advancement of education and of the advancement of religion. All other charitable activities undertaken by the College are to further the attainment of its vision. The CCC have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Risk factors

The CCC have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained by the Senior Strategy Group and the register is reviewed and approved by the CCC on an annual basis.

The most serious risks to Cliff College's survival and development are identified as:

1. insufficient student numbers leading to a loss in income.
2. insufficient conference centre bookings.
3. changes in Government legislation and/or the policies of our partners.
4. a renegotiation of the College's relationship with the Methodist Church.
5. negative publicity leading to a loss of confidence for the College's position within the UK church and Higher Education sector.

These risks have been managed in a variety of ways:

1. In terms of student recruitment, the College website has proved effective with much clearer and concise course information being made available and has provided good links to the College's growing social media presence. We have invested in an 'Admissions Officer' to make applying for our courses more streamlined. Recruitment processes have been developed online with successful virtual open days.
2. The creation of a new Commercial Manager role to increase profitability of the Conference Centre.
3. The College remains up to date with government policy and maintains good relationships with the Office for Students. Relevant staff members have undertaken training to ensure compliance in key areas. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood. The College's planned Institutional and Periodic Review by the University of Manchester has been scheduled for the 23/24 academic year.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

4. The Methodist Church has renewed its commitment to Cliff College through the development of a 'Shared Mission Plan' which enables the college to clearly identify the areas of work expected and offers a clear opportunity to monitor the relationship with the church and its impacts on the wider life of the college.
5. As required, the College's presence in media and social media has been closely monitored, and advice has been taken where needed to ensure that the College is represented fairly. Managing the College's public reputation is an activity which is shared by the Methodist Church in Britain, who have committed to fund potential liability arising from the College's actions.

Achievements and performance

The College runs taught academic programmes at both undergraduate and postgraduate levels, as well as supervising research programmes. All of the College's academic programmes are validated by the University of Manchester, and the college has an active Collaborative Agreement with the University's School of Arts, Languages, and Cultures.

In September 2022, a new programme of Mission and Ministry Development units at Level 4 (first year undergraduate) was launched, acting as a new stream for recruitment to the wider academic programmes of the College.

Undergraduate programmes include:

- Certificate, Diploma and Bachelors (Honours) degree programmes in Theology and Ministry
- Certificate, Diploma and Bachelors (Honours) degree programmes in Mission and Ministry

During this year, a new Certificate, Diploma and Bachelors (Honours) degree programmes in Theology and Mission has been developed and designed by the College and validated by the University of Manchester, to replace the existing two undergraduate programmes from September 2024.

Postgraduate programmes include Postgraduate Certificate, Diploma and Masters degree programmes in Mission. Students may study on specialist pathways, including:

- Biblical Theology and Mission
- Children's and Youth Mission
- Christian Mentoring
- Disability, Theology and Mission
- Leadership, Mission and Renewal
- Literature, Theology and Culture
- Mission and Evangelism
- Mission and Global Justice
- Pioneering Ministries/Fresh Expressions

The College provides supervision for students on doctoral programmes, which are awarded by the University of Manchester. Alongside a standard PhD, the College also has a professional doctorate programme, the PhD Missiology.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The College's academic team continues to develop and deliver various courses in effective ways so that the educational and religious aims of the charity continue to be achieved, including increasingly online. As part of its Christian heritage, and by provision being built into the learning objectives of accredited programmes, Cliff College students continue to engage in periods of placement and mission. For full-time students these placement experiences significantly increase their employability. Most part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

The College also maintains three research centres, providing annual lectures and research opportunities on three topics:

- The Samuel Chadwick Centre: focussing on gathering and disseminating the fruits of research in pneumatology with particular reference to the Wesleyan, Pentecostal and charismatic traditions.
- The Bible, Church and Gender Centre: focusing on biblical and practical gender studies and how these intersect and inform the lives of women and men in the contemporary church.
- Generation: the centre for the study of youth, children and families mission and ministry.

During this year, the College has secured an opportunity to provide research for the Methodist Church's New Places for New People/Church at the Margins initiative, and will recruit a Research Fellow to fulfil this exciting opportunity.

The College is also a member of the Manchester Wesley Research Centre, which connects the College with other institutions in the Methodist, Wesleyan, Evangelical, Holiness and Pentecostal traditions, and resources research and scholarship.

Cliff Global Partnerships

Cliff College's work with global partners focuses on three main areas:

- In-country training: providing training and support for training, in partnership with local training centres, at a variety of levels to meet the local needs.
- Immersion trips: providing experiences of the global church to groups of individuals from the UK, including from Cliff College.
- Theology X: providing a learning platform that underpins in country training.

The College works in partnership with the Methodist Church Global Relationships team in developing relationships with a number of British Methodist Church partners and their theological institutions. In this year, this has included continued support and development for theological and practical training in Sierra Leone, Nigeria and Zimbabwe. The College was represented at the Wesley Theological Society held at Asbury, Kansas in February 2023, and continues to develop strong links with the Methodist Church in Ireland and the European Methodist eAcademy.

Library

The library is a valuable resource for students, not only for those attending internal courses but also for others who come to carry out their research activities. The move to online learning has led to a significant investment in the Digital Theology Library, to support the physical resources at Cliff. The archive section continues to grow in size and importance, attracting students wishing to explore Methodist history and heritage in detail. During the year, further acquisitions of relevant material for both the archive and the library have been made.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

Festival

The Cliff College 'Festival' is a major public event that the College holds each year over the second bank holiday weekend in May. Festival is supported by Methodist Church partners, the Methodist Church Learning Network and All We Can. Festival is a resource for church groups and individuals as well as being an important aspect of our student recruitment activity.

CCO (Cliff College Outreach Limited)

CCO is the trading arm of the College, providing a range of activities that support the charitable aims of the College. There are two specific areas of activity the CCO oversees:

- The Conference Centre provides high-quality facilities and modern accommodation options across the site to a wide range of customers.
- Theology X Commercial provides an online learning platform for a range of other organisations, both in the UK and across the globe. It also provides access to professional studio recording and editing facilities, in order for partners to build high-quality online learning opportunities.

The board of directors continues to actively monitor the financial context in CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges. Any profits from CCO are provided to College for its charitable purposes.

Financial review

From a financial point of view, the College had an expected difficult year; however, investment in recruitment processes means that student number forecasts for next year are healthy, and conference bookings are starting to move in the right direction. Investment Property rentals remained strong.

The College continues to make students aware of their financial responsibilities and to this end all new undergraduate students are provided with information and support in managing their personal finances. One-to-one 'finance' interviews are held with all residential students and students that attend site for teaching weeks, in which they are made aware of the specific charges that they will be required to pay to the College for tuition fees and residential fees; a payment plan is then agreed upon. Many UK students are able access loans from the Student Loans Company to finance their studies. Throughout the year, student accounts are closely monitored to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, while some of our Master's programme students are funded by their employer, these loans are beneficial to those who are not.

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies and have continued to provide this support during the year. The outcome of this generosity is that many investments have been made to provide an income, some for the specific benefit of the students and some to provide general income for the College. Most of the funds are invested through either the Trustees for Methodist Church Purposes (TMCP) or the Central Finance Board of the Methodist Church (CFB) and are therefore subject to the Methodist Church's ethical investment policy. The college remains committed to moving its investments, where possible, into higher yielding funds without compromising its commitment to a low risk investment strategy as befits a charity.

Arrangements for setting the remuneration of key management personnel

The salaries of key management personnel are set by the CCC, with reference to recommended ministerial stipend set by the Methodist Church for ordained staff, with other salary levels set alongside those offered in the theological college sector (for teaching staff), and general salary levels (for non-teaching staff) with the Living Wage Foundation Living Wage as a benchmark. The Senior Strategy Group are now part of the Methodist Church's Connexional Team, and salaries for these members of staff are set by the Connexional Team.

Reserves policy

At the 31 August 2023 the College held total reserves of £10,278,912. During the year, the College received income of £1,819,249 and had expenditure of £2,724,627 which after losses on investments of £995 and gains on the revaluation of fixed assets of £170,000 resulted in a net decrease in reserves of £736,373.

It is the policy of the College that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. As at 31 August 2023 the College had a deficit of unrestricted free reserves of £167,499. The CCC are aware that the current level of free reserves is not consistent with the College's reserves policy but have agreed a strategy to restore reserves to an appropriate level. They therefore consider that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Plans for the future/going concern

The College has recognised that greater diversity in income is essential and this is reflected in the adoption of a new five year business plan for the financial years 2023-2028. The plan directs the work of the College in developing its two core income streams:

- Providing a full range of accessible learning opportunities, at all levels, to grow a vibrant and diverse student body, both onsite and online.
- Maximising the use of the Conference Centre, both for external conference bookings as well as leisure rentals.

In the shorter term our priority is to replenish reserves and the College has sold a property to work towards this, as part of a wider strategy with regard to its assets. This will provide the College with a firm financial foundation on which to move forward with the business plan, as highlighted above.

On behalf of the board of managing trustees,
Revd Ashley Cooper, Principal and Trustee



CLIFF COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Opinion

We have audited the financial statements of Cliff College (the 'charity') and its subsidiary (the 'group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Statement of Financial Activities, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 August 2023, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Charities Act 2011;
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

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 group and parent 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 and 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.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

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; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

In the light of our knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 group and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The parent is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the parent to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. 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.



Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

7 March 2024

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CLIFF COLLEGE

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Income from:						
Donations and legacies	2	750,651	100,000	-	850,651	806,706
Charitable activities	3	475,432	-	-	475,432	706,491
Other trading activities	4	307,703	-	-	307,703	332,062
Investments	5	14,253	-	-	14,253	6,838
Other	6	171,210	-	-	171,210	205,337
Total income		1,719,249	100,000	-	1,819,249	2,057,434
Expenditure on:						
Charitable activities	7	2,154,429	45,024	-	2,199,453	2,138,219
Other		525,174	-	-	525,174	599,025
Total expenditure		2,679,603	45,024	-	2,724,627	2,737,244
(Losses) on investments	12	-	-	(995)	(995)	(37,065)
Net (expenditure)/income		(960,354)	54,976	(995)	(906,373)	(716,875)
Transfer between funds		27,505	(27,505)	-	-	-
Other recognised gains						
Gains on revaluation of fixed assets		170,000	-	-	170,000	215,000
Net movement in funds		(762,849)	27,471	(995)	(736,373)	(501,875)
Fund balances brought forward		10,842,139	157,294	15,852	11,015,285	11,517,160
Fund balances carried forward		10,079,290	184,765	14,857	10,278,912	11,015,285

CLIFF COLLEGE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2023	Total 2022
		£	£	£	£	£
Income from:						
Donations and legacies	2	750,651	100,000	-	850,651	806,706
Charitable activities	3	475,432	-	-	475,432	706,491
Other trading activities	4	865	-	-	865	2,010
Investments	5	14,253	-	-	14,253	6,838
Other	6	271,210	-	-	271,210	295,337
Total income		1,512,411	100,000	-	1,612,411	1,817,382
Expenditure on:						
Charitable activities	7	2,154,429	40,881	-	2,199,453	2,138,219
Other		343,695	-	-	343,695	398,283
Total expenditure		2,498,124	45,024	-	2,543,148	2,536,502
(Losses) on investments	12	-	-	(995)	(995)	(37,065)
Net (expenditure)/income		(985,713)	54,976		(931,732)	(756,185)
Transfer between funds		27,505	(27,505)	-	-	-
Other recognised gains						
Gains on revaluation of fixed assets		170,000	-	-	170,000	215,000
Net movement in funds		(788,208)	27,471	(995)	(761,732)	(541,185)
Fund balances brought forward		10,881,464	157,294	15,852	11,054,610	11,595,795
Fund balances carried forward		10,093,256	184,765	14,857	10,292,878	11,054,610

CLIFF COLLEGE

CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	10,247,411	10,845,922
Investments	12	14,857	15,852
		<u>10,262,268</u>	<u>10,861,774</u>
Current assets			
Debtors	13	272,954	332,491
Cash at bank and in hand		251,968	196,035
		<u>524,922</u>	<u>528,526</u>
Creditors: amounts falling due within one year	14	<u>(396,278)</u>	<u>(235,015)</u>
Net currents assets		<u>128,644</u>	<u>293,511</u>
Total assets less current liabilities		<u>10,390,912</u>	<u>11,155,285</u>
Creditors: amounts falling due after more than one year	15	<u>(112,000)</u>	<u>(140,000)</u>
Net assets		<u>10,278,912</u>	<u>11,015,285</u>
Capital funds			
Endowment funds	17	14,857	15,852
Income funds			
Restricted funds	18	184,765	157,294
Unrestricted funds General		10,079,290	10,842,139
		<u>10,278,912</u>	<u>11,015,285</u>

The financial statements were approved and authorised for issue by the Board on 7 March 2024

Signed on behalf of the board of Trustees

Revd Ashley Cooper – Trustee



Revd Andrew Stobart – OfS accountable officer



CLIFF COLLEGE

CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	10,247,411	10,845,922
Investments	12	14,857	15,852
		<u>10,262,268</u>	<u>10,861,774</u>
Current assets			
Debtors	13	260,807	396,994
Cash at bank and in hand		236,400	153,057
		<u>497,207</u>	<u>550,051</u>
Creditors: amounts falling due within one year	14	<u>(354,597)</u>	<u>(217,215)</u>
Net currents assets		<u>142,610</u>	<u>332,836</u>
Total assets less current liabilities		<u>10,404,878</u>	<u>11,194,610</u>
Creditors: amounts falling due after more than one year	15	<u>(112,000)</u>	<u>(140,000)</u>
Net assets		<u>10,292,878</u>	<u>11,054,610</u>
Capital funds			
Endowment funds	17	14,857	15,852
Income funds			
Restricted funds	18	184,765	157,294
Unrestricted funds General		10,093,256	10,881,464
		<u>10,292,878</u>	<u>11,054,610</u>

The financial statements were approved and authorised for issue by the Board on 7 March 2024

Signed on behalf of the board of Trustees

Revd Ashley Cooper - Trustee



Revd Andrew Stobart – OfS accountable officer



CLIFF COLLEGE**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2023**

	Notes	2023 £	2022 £
Cash flow from operating activities	20	(605,659)	(424,260)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(93,737)	(49,287)
Receipts from sale of investments		-	441,485
Receipts from sale of investment property		775,000	-
Interest received		14,253	6,838
Interest paid		(5,924)	(5,475)
Net cash flow from investing activities		<u>689,592</u>	<u>393,561</u>
Cash flow from financing activities			
Bank loan repayments		(28,000)	(28,000)
Net cash flow from financing activities		<u>(28,000)</u>	<u>(28,000)</u>
Net Increase/(decrease) in cash and cash equivalents		55,933	(58,699)
Cash and cash equivalents at beginning of year		<u>196,035</u>	<u>254,734</u>
Cash and cash equivalents at end of year		<u>251,968</u>	<u>196,035</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Charity information

Cliff College is a registered charity (no 529386). The principal address is Calver, Hope Valley, Derbyshire, S32 3XG.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements consolidate the accounts of Cliff College and Cliff College Outreach Limited (a company limited by guarantee, registered company number 02331438).

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the main functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

After due consideration of all relevant factors the charity's income and cash flow forecasts and projections indicate that the charity should be able to continue to operate for the foreseeable future.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.2 Charitable funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

1.3 Income recognition

Grants are accounted for on a receivable basis.

For legacies, entitlement and recognition is the earlier of receipt of the legacy or where it is probable that it will be received.

Donations received towards student fee sponsorship may be deferred for use in later years. The disbursements from this fund vary according to student needs.

Incoming resources from endowment funds are unrestricted and are transferred to unrestricted funds at the end of the financial year.

Student fees invoiced in advance are treated as deferred income.

1.4 Expenditure recognition

Resources expended are recognised in the year in which the liability is incurred.

Costs of raising funds relate to the cost of providing conference facilities and other fundraising activities.

Expenditure relating to charitable activities includes all the costs, including support costs, relating to the running of the college as an educational institution.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Straight line over 100 years
Property refurbishment	Straight line over 15 years
Computer equipment	20% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income / (expenditure) for the year.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on revaluation of fixed assets in the SoFA.

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

1.6 Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gain/losses in the SOFA.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.8 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

The charity participates in a multi-employer defined benefit scheme, as the proportion attributable to the charity is not separately identifiable, the pension schemes are accounted for as defined contribution pension schemes in the accounts. Following the closure of the defined benefit pension scheme the charity contributed to a defined contribution pension scheme. Further details are included in note 16.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.11 Judgements and key sources of estimation uncertainties

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have based their estimate of the value of the land and buildings of the charity on independent professional valuations. The accuracy of these valuations could therefore have a material adjustment to the carrying amount of assets and liabilities.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

2	Donations and legacies	Group and Charity			
		Unrestricted Fund £	Restricted Fund £	Total 2023 £	Total 2022 £
	Donations and gifts	101,209	-	101,209	60,182
	Legacies receivable	168,069	-	168,069	162,303
	DMLN grant from the Methodist Church	428,297	-	428,297	425,096
	Global Partnership income	-	100,000	100,000	126,129
	TheologyX income	27,000	-	27,000	-
	Other grants	26,076	-	26,076	32,996
		<u>750,651</u>	<u>100,000</u>	<u>850,651</u>	<u>806,706</u>
	For the year ended 31 August 2022	<u>680,577</u>	<u>126,129</u>		<u>806,706</u>
				2023 £	2022 £
	Legacies receivable				
	Unrestricted funds				
	M Woodlock-Smith			150,000	-
	M Smith-Croucher			12,000	-
	G Ware			8,205	-
	A Jackson			1,000	-
	A Moden			538	-
	S Britton			(3,674)	90,000
	A Wheeler			-	20
	P Stephens			-	72,283
				<u>168,069</u>	<u>162,303</u>
3	Charitable activities	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
	Student fees	426,101	638,308	426,101	638,308
	Festival Income	49,331	68,183	49,331	68,183
		<u>475,432</u>	<u>706,491</u>	<u>475,432</u>	<u>706,491</u>
4	Other trading activities	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
	Trading income	<u>307,703</u>	<u>332,062</u>	<u>865</u>	<u>2,010</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

5	Investment income	Group and Charity	
		Unrestricted 2023 £	Unrestricted 2022 £
	Central Finance Board Funds	14,253	6,838
	Other investment income	-	-
		<u>14,253</u>	<u>6,838</u>

6	Other income	Group		Charity	
		2023 £	2022 £	2023 £	2022 £
	Rental Income	108,059	201,337	198,059	169,749
	Other income	63,151	4,000	73,151	125,588
		<u>171,210</u>	<u>205,337</u>	<u>271,210</u>	<u>295,337</u>

7	Charitable expenditure	Group and Charity				
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
	Staff costs	822,303	-	-	822,303	821,404
	Methodist Church stipends	156,559	-	-	156,559	173,621
	Student course costs	153,416	10,060	-	163,476	192,171
	Festival costs	145,785	-	-	145,785	101,917
	Global Partnership costs	-	34,964	-	34,964	66,733
	Theology X Platform costs	52,842	-	-	52,842	40,120
	Other	-	-	-	-	94,942
		<u>1,330,905</u>	<u>45,024</u>	<u>-</u>	<u>1,375,929</u>	<u>1,490,908</u>
	Share of support costs (see note 8)	823,524	-	-	823,524	647,311
		<u>2,154,429</u>	<u>45,024</u>	<u>-</u>	<u>2,199,453</u>	<u>2,138,219</u>
	For the year ended 31 August 2022	<u>1,871,314</u>	<u>266,905</u>	<u>-</u>		<u>2,138,219</u>

In accordance with the Access and Participation Plan, the College has spent £41,000 (2022: £54,000) on Access Investment; £5,000 (2022: £5,000) on Financial Support Investment; £10,000 (2022: £nil) on Support for Disabled Students; and £2,000 (2022: £2,000) on Research and Evaluation Investment.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

8 Allocation of support costs	Group and Charity		Total £
	Charitable £	Other £	
2023			
Governance	49,732	8,776	58,508
Finance	53,290	9,404	62,694
IT	101,312	17,879	119,191
Property costs	130,228	22,981	153,209
Depreciation	74,162	13,087	87,249
Office costs	110,389	19,481	129,870
Irrecoverable VAT	74,228	13,100	87,328
Other	230,183	40,620	270,803
	<u>823,524</u>	<u>145,328</u>	<u>968,852</u>
2022	£	£	£
Governance	32,492	10,831	43,323
Finance	42,736	14,245	56,981
IT	85,292	28,431	113,723
Property costs	89,970	29,990	119,960
Depreciation	68,478	22,826	91,304
Office costs	117,800	39,266	157,066
Irrecoverable VAT	62,630	20,876	83,506
Other	147,913	49,305	197,218
	<u>647,311</u>	<u>215,770</u>	<u>863,081</u>

Support costs have been allocated based on the relevant proportions of income.

Governance costs includes audit and accountancy fees for the year of £14,900 (2022: £13,925).

9 Trustees and key management remuneration

Cliff College is controlled by The Methodist Council, whose members are the Trustees of Cliff College and appoint the Cliff College Committee to serve as the governing body of the college.

The college considers its key management personnel to be its Senior Strategy Group which comprise the Principal, the Vice Principal Academic, the Vice Principal Mission and the Chief Operating Officer. The total amount of benefits received by key management personnel is £214,130 (2022: Senior Management Group £230,689).

Other than the Principal who is part of the Senior Strategy Group, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year six (2022: six) members of the Cliff College Committee were reimbursed a total of £1,244 (2022: £828) relating to travel expenses.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

10 Employees - Group

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

	2023 Number	2023 FTE	2022 Number	2022 FTE
Academic	12	10	15	13
Non Academic	31	24	28	19
	<u>43</u>	<u>34</u>	<u>43</u>	<u>32</u>

	Group	
Employment costs	2023 £	2022 £
Wages and salaries	1,086,388	1,092,814
Social security costs	100,832	105,359
Other pension costs	<u>66,533</u>	<u>62,254</u>
Total staff costs	<u>1,253,753</u>	<u>1,260,427</u>

There are no employees whose annual emoluments were £60,000 or more.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

11 Tangible fixed assets	Group and Charity					
	Investment Properties	Land and Buildings	Computer Equipment	Plant, Equipment & Furniture	Motor Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 September 2022	4,310,000	6,516,000	379,493	485,886	19,700	11,711,079
Additions	-	-	70,532	9,210	13,995	93,737
Disposals	(775,000)	-	-	-	-	(775,000)
Revaluation	170,000	-	-	-	-	170,000
At 31 August 2023	3,705,000	6,516,000	450,025	495,096	33,695	11,199,816
Depreciation						
At 1 September 2022	-	46,190	351,786	455,137	12,044	865,157
Charge for the year	-	46,190	24,610	11,309	5,139	87,248
At 31 August 2023	-	92,380	376,396	466,446	17,183	952,405
Net book value						
At 31 August 2023	3,705,000	6,423,620	73,629	28,650	16,512	10,247,411
At 31 August 2022	4,310,000	6,469,810	27,707	30,749	7,656	10,845,922

Investment Properties included at valuation had a historical cost of £1,279,656 (2022: £1,778,218) with accumulated depreciation of £65,493. (2022: £80,973). Land and buildings included at valuation had a historical cost of £7,002,187 (2022: £7,002,187) with accumulated depreciation of £1,358,818 (2022: £1,312,628).

Freehold land and buildings were subject to independent professional valuation at 31 August 2022.

Investment Properties were subject to independent professional valuations at 31 August 2023. The valuations were undertaken by Riddle & Co based on market value.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

12 Fixed asset investments

	Group and Charity		Total £
	CFB Managed mixed fund £	CFB Managed fixed interest £	
Market value at 1 September 2022	15,405	447	15,852
Change in value in the year	(993)	(2)	(995)
Transfer	418	(418)	-
Market value at 31 August 2023	14,830	27	14,857

The custodian trustees are the Trustees for the Methodist Connexional Funds (Registered) and the Trustees for Methodist Church Purposes. The market value of the investments has been provided by the Trustees for Methodist Church Purposes (TMCP).

13 Debtors	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	177,501	111,480	92,313	46,456
Amounts owed by group undertakings	-	-	73,041	129,527
Other debtors	23,622	174,929	23,622	174,929
Prepayments and accrued income	71,831	46,082	71,831	46,082
	272,954	332,491	260,807	396,994

14 Creditors: amounts falling due within one year	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade creditors	261,926	116,991	248,137	114,151
Tax and social security costs	44,089	39,307	22,667	26,097
Other creditors	18,178	9,193	18,178	9,193
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	44,085	41,524	37,615	39,774
	396,278	235,015	354,597	217,215

15 Creditors: amounts falling due after more than one year	2023	2022	2023	2022
	£	£	£	£
Bank Loan	112,000	140,000	112,000	140,000

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023**

16 Pension costs

The College is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2023 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2023	2022
	%	%
Discount rate	5.2	3.9
RPI inflation rate	3.4	3.5
CPI inflation rate	2.8	3.0
Rate of increase in pensionable earnings	2.8	3.0
Rate of increase in pension payments	2.2/3.3/5.0	2.3/3.4/5.0

The major categories of the Scheme's assets (excluding money purchase AVCs) as a percentage of the total Scheme assets, were as follows:

	31 August 2023	31 August 2022
	%	%
Equities	-	12
Corporate bonds	46	37
Property	-	10
Cash	19	16
Liability driven investment	31	20
Annuities	4	5

The following amounts at 31 August 2023 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	57.2
Present value of scheme liabilities	53.2
Net overfunding in Scheme	4.0
Unrecognised assets	(4.0)
Net Defined Benefit Asset	0.0

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

16 Pension costs (continued)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the College is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the College. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. The College would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on that date.

A full actuarial valuation of the Scheme was carried out at 1 September 2020 by the Scheme Actuary. The valuation disclosed a past service deficit of £16.7m. It was agreed that the shortfall revealed at 1 September 2020 should be eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £2,380,000 per annum each August, starting August 2021 up to and including August 2026; and
- Between £0 and £529,000 each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary having regard to Scheme experience.

An update of the funding position as at 1 September 2022 was carried out by the Scheme Actuary. This showed that the past service deficit had reduced from £16.7m to £1.1m.

The next full actuarial valuation is due to be carried out as at 1 September 2023.

The College contributed to a defined contribution pension scheme on behalf of its employees. The employer contributions paid to the Scheme during the year totalled £66,533 (2022: £62,254).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

17 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2023 £
General	8,979	-	-	-	(381)	8,598
Student prizes	6,873	-	-	-	(614)	6,259
	<u>15,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(995)</u>	<u>14,857</u>

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2022 £
General	12,268	-	-	(2,799)	(490)	8,979
Library	3,475	-	-	(3,475)	-	-
Ministerial	11,710	-	-	(11,710)	-	-
Perpetuated subscriptions	3,256	-	-	(3,256)	-	-
Student fees	189,780	-	-	(189,780)	-	-
Student fees (3 rd party interest)	146,592	-	-	(146,592)	-	-
Student prizes	18,598	-	-	(11,726)	1	6,873
Trekkers	8,621	-	-	(8,621)	-	-
	<u>394,300</u>	<u>-</u>	<u>-</u>	<u>(377,959)</u>	<u>(489)</u>	<u>15,852</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes.

	As restated Balance at 1 September 2022 £	Income £	Expenditure £	Transfers £	Balance 31 August 2023 £
Global Partnership	81,861	100,000	(34,964)	(27,505)	119,392
Bursary Fund	25,790	-	(10,060)	-	15,730
Welfare Fund	27,845	-	-	-	27,845
Other	21,798	-	-	-	21,798
	157,294	100,000	(45,024)	(27,505)	184,765

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2022 £
Global Partnership	48,255	116,129	(88,894)	6,371	81,861
Bursary Fund	47,404	-	(21,614)	-	25,790
Welfare Fund	27,845	-	-	-	27,845
World Mission Fund support	6,371	-	-	(6,371)	-
The Story Project	29,631	-	-	(29,631)	-
Theology X Project	166,121	10,000	(113,472)	(62,649)	-
Evangelistic Funds	42,925	-	(42,925)	-	-
Other	21,798	-	-	-	21,798
	390,350	126,129	(266,905)	(92,280)	157,294

Restricted funds

Global Partnership receives funding from the Methodist Church to arrange mission trips to developing countries.

The **Bursary Fund** exists to provide support to students who need help paying for their course fees.

The **Welfare Fund** exists to provide support to students who are in general financial difficulties. Disbursements are made according to need.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions placed upon it.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

19 Analysis of net assets between funds

2023	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2023 £
Charity				
Tangible fixed assets	10,247,411	-	-	10,247,411
Investments	-	-	14,857	14,857
Net current assets	(42,155)	184,765	-	142,610
Creditor greater than one year	(112,000)	-	-	(112,000)
	<u>10,093,256</u>	<u>184,765</u>	<u>14,857</u>	<u>10,292,878</u>
Cliff College Outreach Ltd				
Net current assets	(13,966)	-	-	(13,966)
Group	<u>10,079,290</u>	<u>184,765</u>	<u>14,857</u>	<u>10,278,912</u>
2022	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total 2022 £
Charity				
Tangible fixed assets	10,845,922	-	-	10,845,922
Investments	-	-	15,852	15,852
Net current assets	175,542	157,294	-	332,836
Creditor greater than one year	(140,000)	-	-	(140,000)
	<u>10,881,464</u>	<u>157,294</u>	<u>15,852</u>	<u>11,054,610</u>
Cliff College Outreach Ltd				
Net current assets	(39,325)	-	-	(39,325)
Group	<u>10,842,139</u>	<u>157,294</u>	<u>15,852</u>	<u>11,015,285</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2023

20 Reconciliation of net (expenditure) to net cash flow from operating activities	Group	
	2023 £	2022 £
Net (expenditure) for the year	(906,373)	(716,875)
Interest receivable	(14,253)	(6,838)
Interest payable	5,924	5,475
Losses on investments	995	37,065
Depreciation on tangible fixed assets	87,248	91,299
Decrease in debtors	59,537	235,491
Increase/(Decrease) Increase in creditors	161,263	(69,877)
Net cash flow from operating activities	(605,659)	(424,260)

21 Operating lease commitments

At 31 August 2023 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2023 £	2022 £
Within one year	3,853	267
Within two to five years	7,385	-
Total	11,238	267

22 Grant and Fee Income	Group	
	2023 £	2022 £
Grant Income from the OfS	16,346	34,531
Grant income from other bodies	10,000	-
Fee income for taught awards	322,117	515,250
Fee income for research awards	43,800	38,400
Fee income from non-qualifying courses	60,184	84,658
	452,447	672,839

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2023

23 Head of Provider Remuneration	Group	
	2023 £	2022 £
Principal		
Stipend cost	45,402	43,393
Pension	7,243	6,947
Other taxable benefits	-	-

This remuneration package is in line with others in the theological college sector, and is in line with value and performance delivered. Performance is reviewed by the Board of Governors. As the Principal is an ordained minister in the Methodist Church in Britain, the remuneration is set by the stipend level of the Methodist Church in Britain

The head of provider's basic salary and remuneration are 1.3 times the median pay and remuneration of staff respectively, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

24 Related parties

Cliff College has a subsidiary company, Cliff College Outreach Limited. Cliff College Outreach Limited is a company limited by guarantee whose members are made up of the Cliff College Committee.

Cliff College Outreach Limited was set up in 1988 in order to serve the College in the building of the Broadbelt and Eagles buildings and to act as the vehicle carrying out the trading activities of the charity as provider of conference accommodation to third parties during times when the buildings were not being used by the College for housing students.

The activities of Cliff College Outreach Limited are in line with the policies and strategies of Cliff College, and indeed occupy the same premises and complement the overall charitable activities and financial strength of the charity.

Details of the subsidiary company's assets at 31 August 2023 and results for the year then ended are as follows:

	Cliff College Outreach Ltd £
Turnover	306,838
Cost of sales	89,130
Gross profit	217,708
Administrative expenses	192,349
Profit for the year	25,359
Debtors	80,718
Cash at bank and in hand	15,568
	96,286
Creditors	110,252
Net liabilities	13,966

CLIFF COLLEGE

England & Wales - Charity number 529386

Accounts

CHARITY REGISTRATION NUMBER 529386

CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2022

CLIFF COLLEGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd Loraine Mellor (Chair) Stephen Holliday (Vice-Chair) Revd Ashley Cooper (Principal) Ashley France Revd Mark Hammond (appointed 1 September 2021) Matthew Lee Revd Leslie Newton (appointed 1 September 2021) Revd Raj Patta (appointed 1 September 2021) Joan Ryan Revd Paul Smith
Charity number	529386
Principal address	Cliff College Calver Hope Valley Derbyshire S32 3XG
Auditors	Hawsons Chartered Accountants Statutory Auditor Pegasus House 463a Glossop Road Sheffield S10 2QD
Bankers	HSBC Belgravia Branch The Peak 333 Vauxhall Bridge Road London SW1V 1EJ
Solicitors	Graysons Solicitors Courtwood House Silver Street Head Sheffield S1 2DD

CLIFF COLLEGE

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CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice.

Structure, governance and management

The charity is governed by two charitable trust deeds, one dated 1903 and a second dated 1930. The members of the CCC who served during the year were:

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Ashley France
Revd Mark Hammond
Matthew Lee
Revd Leslie Newton
Revd Raj Patta
Joan Ryan
Revd Paul Smith

The CCC is appointed by the Methodist Council. In the appointment of members to serve on the CCC, the Methodist Church seeks to employ the widest possible range of skills and expertise, and fully bears this in mind when inviting new managing trustees to take up their responsibilities. Each member of the CCC is a member of a sub-group that meets to scrutinise and report on an element of the College's life and work. All new CCC members are inducted in briefing meetings with the Principal and senior staff members.

Appointments to the CCC are for an initial period of three years, with the option to extend for up to a further three years. Thereafter, a member may serve for a further year if the nomination is supported by 75% of the members present at a meeting to consider the nomination.

The ultimate responsibility for the College lies with Methodist Conference and, as the College is part of the wider Methodist Church, it is governed by Methodist Church standing orders and the decisions made annually by the Methodist Conference. The Trusteeship is held by the Methodist Council which appoints the CCC to govern the College.

The strategic direction of the charity is set by the CCC which then delegates the day-to-day running of the College to the College's Executive Committee (an internal management group consisting of the Principal, the Academic Director, the Global and Learning Innovation Director, and the Operations Director). The CCC Chair and Vice-Chair receive the minutes of the Executive Committee meetings and attend meetings when appropriate. The Executive Committee reports to the CCC at each of its meetings.

The CCC also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the commercial trading arm of the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities

The College's vision is to be 'A Global Centre for Evangelism and Missiology' Cliff College's uniqueness is as a community being formed by God's Spirit and centred on God's Word, equipping people for practical ministry and engaging in mission.

In living out this vision, the College recognises its commitment to the Methodist Church and its heritage in the Wesleyan family; it exists to train people in mission and evangelism, which aims to impact all sections of the church and serve the widest possible constituency. These are achieved through:

- a range of validated courses and programmes with mission and evangelism at their core
- short courses and Summer Schools to serve the needs of lay people in the church
- evangelists to act as a catalyst for mission and evangelism in the church
- an annual Festival to deliver a vibrant programme for all ages
- the Cliff Year to provide young people with a year of vocational exploration
- the conference centre to provide accommodation for individuals and groups
- Global partnerships to support lay and ordained training across the globe

Cliff College exists for the charitable purposes of the advancement of education and of the advancement of religion. All other charitable activities undertaken by the College are to further the attainment of its vision. The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Risk factors

The CCC have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained by the Executive Committee and the register is reviewed and approved by the CCC on an annual basis.

The most serious risks to Cliff College's survival and development are identified as:

- insufficient student numbers leading to a loss in income
- changes in Government legislation and/or the policies of our partners
- the Methodist Church specifically in the light of declining numbers, financial instability and internal restructure

These risks have been managed in a variety of ways:

The college has developed a new 5-year business plan seeking to diversify the income and manage the expenditure.

In terms of student recruitment, the new College website has proved effective with much clearer and concise course information being made available and has provided good links to the College's growing social media presence. We have invested in a 'Admissions Officer' to make applying for our courses more streamlined. Recruitment processes have been developed online with successful virtual open days. A number of online courses were developed, at both short course and MA levels, and further work is being undertaken to increase the range of courses available. The College was recertified to participate in the US Federal Direct loan programme with the first full-time American students completing their final year at the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The College remains up to date with government policy and maintains good relationships with the Office for Students, with extra meetings scheduled during the pandemic to ensure the College remains in a strong position. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood. The College has its five yearly revalidation with the University of Manchester in the near future and preparations are underway for that process.

The college has renewed its commitment to work with the Methodist Church, but with a clear strategy and framework of expectation. This has resulted in a 'Shared Mission Plan' which enables the college to clearly identify the areas of work expected and offers a clear opportunity to monitor the relationship with the church and its impacts on the wider life of the college.

Achievements and performance

The College runs taught academic programmes at both undergraduate and postgraduate levels, as well as supervising research programmes. All of the College's academic programmes are validated by the University of Manchester, a Russell Group university, which unconditionally revalidated the College from 1 January 2016. (This will now be reviewed in September 2024)

Undergraduate programmes include:

- Certificate, Diploma and Honours degree programmes in Theology and Ministry
- Certificate, Diploma and Honours degree programmes in Mission and Ministry

Postgraduate programmes include Postgraduate Certificate, Diploma and Masters degree programmes in Mission, with specialist pathways including:

- Biblical Theology and Mission
- Children's and Youth Mission
- Christian Mentoring
- Disability, Theology and Mission
- Leadership, Mission and Renewal
- Literature, Theology and Culture
- Mission and Evangelism
- Mission and Global Justice
- Mission and Islamic contexts
- Pioneering Ministries/Fresh Expressions
- Spirituality and Mission
- PhD programme (research)
- PhD Missiology programme (professional doctorate)

The College's academic team continues to develop and deliver various courses in effective ways so that the educational and religious aims of the charity continue to be achieved. As part of its Christian heritage, and by provision being built into the learning objectives of accredited programmes, Cliff College students continue to engage in periods of placement and mission. For full-time students these placement experiences significantly increase their employability, and a Year in Mission has been developed to enable this. Most part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The College also maintains three research centres, providing annual lectures and research opportunities on three topics:

- The Samuel Chadwick Centre: focussing on gathering and disseminating the fruits of research in pneumatology with particular reference to the Wesleyan, Pentecostal and charismatic traditions.
- The Bible, Church and Gender Centre: focusing on biblical and practical gender studies and how these intersect and inform the lives of women and men in the contemporary church
- Generation: the centre for the study of youth, children and families mission and ministry

Alongside the validated programmes the College offers a wide range of short courses for those in a variety of ministry roles throughout the church. This growing programme provides learning opportunities for both those new to these roles and those looking for continuing development opportunities and is enhanced by Cliff Local, short courses delivered more locally to those attending.

Cliff Global Partnerships

The work of Global Partnerships team has continued to develop and focuses on three main areas:

- In country training: providing training and support for training, in partnership with local training centres, at a variety of levels to meet the local needs.
- Immersion trips: providing experiences of the global church to groups of individuals from the UK, including from Cliff College.
- Theology X: providing a learning platform that underpins in country training either via the internet or a 'Theo' intranet device.

Coronavirus has changes the team's emphasis with Theology X becoming an invaluable tool that has enabled learning to continue.

The Global Partnerships team work in partnership with the Methodist Church Global Relationships team with developing relationships and partnerships with a number of British Methodist Church partners, including in Nigeria, Kenya, Korea, Sierra Leone and Uganda. Two other important relationships are with Perkins School of Theology, in Dallas, and the Methodist E Academy.

Library

The library is a valuable resource for students, not only for those attending internal courses but also for others who come to carry out their research activities. The move to online learning has led to a significant investment in the Digital Theology Library, to support the physical resources at Cliff. The archive section continues to grow in size and importance, attracting students wishing to explore Methodist history and heritage in detail; it is a part of one of the largest collections of Wesleyan material to be found throughout the world, located at sites connected to the University of Manchester.

Festival

The Cliff College 'Festival' is a major public event that the College holds each year over the second bank holiday weekend in May. Festival is a resource to engage with people of all ages through a verity of workshops and worship. Festival also provides an opportunity to the college to promote all its courses and specifically it's undergraduate course to young people attending.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

CCO (Cliff College Outreach Limited)

CCO is the trading arm of the College, providing a range of activities that support the charitable aims of the College. There are two specific areas of activity the CCO oversees:

- The Conference Centre provides high-quality facilities and modern accommodation options across the site to a wide range of customers. The closure of the College in March led to a number of cancellations but the diversification into online conferences and bed and breakfast and site rental continued to provide income.
- Theology X Commercial provides space on the online learning platform to a range of other organisations, both in the UK and across the globe.

Profits from CCO are donated to the College under the Gift Aid scheme. The board of directors continues to actively monitor the financial context in which CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges.

Financial review

From a financial point of view, the College had a difficult year with continued nervousness due to the coronavirus pandemic with students and conference guest not coming on site and studying online. This impacted the financial performance in several ways:

- Several short courses were cancelled throughout the year due to lack of numbers.
- The Conference Centre saw reduced numbers attending especially during the first half of the year.
- Applications for validated on site courses were reduced.

Investment Property rentals remained strong, and the college was able to offer new training to Mission Partners of the Methodist Church which resulted in un-budgeted income being received.

The College continues to make students aware of their financial responsibilities and to this end all new undergraduate students are provided with information and support in managing their personal finances. One-to-one 'finance' interviews are held with all residential students, in which they are made aware of the specific charges that they will be required to pay to the College for tuition fees and residential fees; a payment plan is then agreed upon. Most of these UK students are able access loans from the Student Loans Company to finance their studies. Throughout the year, student accounts are closely monitored to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, whilst some of our master's programme students are funded by their employer, these loans are beneficial to those who are not.

In July 2020, the annual Methodist Conference, the governance body of the Methodist Church, agreed a budget which included financial support for the College covering the next three years. Whilst budgets beyond this period have not yet been approved, there are no plans to deviate from this on-going financial support. The next budget cycle will be approved at the conference of 2023.

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies and have continued to provide this support during the year. The outcome of this generosity is that many investments have been made to provide an income, some for the specific benefit of the students and some to provide general income for the College. Most of the funds are invested through either the Trustees for Methodist Church Purposes (TMCP) or the Central Finance Board of the Methodist Church (CFB) and are therefore subject to the Methodist Church's ethical investment policy. Interest rates continue at the low levels experienced in previous years, but the College is still committed to moving its investments, where possible, into higher yielding funds without compromising its commitment to a low risk investment strategy as befits a charity.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Arrangements for setting the remuneration of key management personnel

The salaries of key management personnel are set by the CCC, with reference to recommended ministerial stipend set by the Methodist Church for ordained staff, with other salary levels set alongside those offered in the theological college sector (for teaching staff), and general salary levels (for non-teaching staff) with the Living Wage Foundation Living Wage as a benchmark.

Reserves policy

At the 31 August 2022 the College held total reserves of £11,015,285. During the year, the College received income of £2,057,434 and had expenditure of £2,737,244 which after losses on investments of £37,065 and gains on the revaluation of fixed assets of £215,000 resulted in a net decrease in reserves of £501,875.

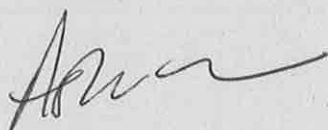
It is the policy of the College that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. As at 31 August 2022 the College had a deficit of unrestricted free reserves of £3,783. The CCC are aware that the current level of free reserves is not consistent with the College's reserves policy but have agreed a strategy to restore reserves to an appropriate level. They therefore consider that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Plans for the future/going concern

The College has recognised that greater diversity in income is essential and the business plan for Sept 2023-28 is to be launched on 1 September 2023, is key to this way of working. In the medium term we are looking to three key developments:

- enhancing the College's package of courses and programmes including a wide range of online learning options, building on the innovations made in response to coronavirus
- making our learning platform more widely available to other users, to lease space for their own learning packages
- developing the site for leisure use at particular periods during the year, this will include the new opportunity for caravan pitches

In the shorter term our priority is to replenish reserves and the College has sold a property to enable this to be fulfilled. This will provide the College with a firm financial foundation on which to move forward with its plans, as highlighted above.



On behalf of the board of managing trustees,
Revd Ashley Cooper, Principal and Trustee

27/03/2023

CLIFF COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Opinion

We have audited the financial statements of Cliff College (the 'charity') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Statement of Financial Activities, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 August 2022, and of the group's 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 group and parent 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 and 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.

Other information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

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; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

In the light of our knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, 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 group and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The parent charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Audit procedures performed by the engagement team included:

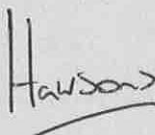
- Discussions with management and those responsible for legal compliance procedures within the parent charitable company to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. 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.



Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

31 March 2023

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CLIFF COLLEGE

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
		£	£	£	£	£
Income from:						
Donations and legacies	2	680,577	126,129	-	806,706	1,002,450
Charitable activities	3	706,491	-	-	706,491	580,127
Other trading activities	4	332,062	-	-	332,062	244,978
Investments	5	6,838	-	-	6,838	3,691
Other	6	205,337	-	-	205,337	88,372
Total income		<u>1,931,305</u>	<u>126,129</u>	<u>-</u>	<u>2,057,434</u>	<u>1,919,618</u>
Expenditure on:						
Charitable activities	7	1,871,314	266,905	-	2,138,219	1,885,408
Other		599,025	-	-	599,025	465,121
Total expenditure		<u>2,470,339</u>	<u>266,905</u>	<u>-</u>	<u>2,737,244</u>	<u>2,350,529</u>
(Losses)/gains on investments	12	<u>(36,576)</u>	<u>-</u>	<u>(489)</u>	<u>(37,065)</u>	<u>17,625</u>
Net (expenditure)/income		<u>(575,610)</u>	<u>(140,776)</u>	<u>(489)</u>	<u>(716,875)</u>	<u>(413,286)</u>
Transfer between funds		470,239	(92,280)	(377,959)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		215,000	-	-	215,000	536,273
Net movement in funds		<u>109,629</u>	<u>(233,056)</u>	<u>(378,448)</u>	<u>(501,875)</u>	<u>122,987</u>
Fund balances brought forward		<u>10,732,510</u>	<u>390,350</u>	<u>394,300</u>	<u>11,517,160</u>	<u>11,394,173</u>
Fund balances carried forward		<u>10,842,139</u>	<u>157,294</u>	<u>15,852</u>	<u>11,015,285</u>	<u>11,517,160</u>

CLIFF COLLEGE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2022	Total 2021
		£	£	£	£	£
Income from:						
Donations and legacies	2	680,577	126,129	-	806,706	1,002,450
Charitable activities	3	706,491	-	-	706,491	580,127
Other trading activities	4	2,010	-	-	2,010	-
Investments	5	6,838	-	-	6,838	3,691
Other	6	295,337	-	-	295,337	142,622
Total income		1,691,253	126,129	-	1,817,382	1,728,890
Expenditure on:						
Charitable activities	7	1,871,314	266,905	-	2,138,219	1,885,408
Other		398,283	-	-	398,283	366,171
Total expenditure		2,269,597	266,905	-	2,536,502	2,251,579
(Losses)/gains on investments	12	(36,576)	-	(489)	(37,065)	17,625
Net (expenditure)/income		(614,920)	(140,776)	(489)	(756,185)	(505,064)
Transfer between funds		470,239	(92,280)	(377,959)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		215,000	-	-	215,000	536,273
Net movement in funds		70,319	(233,056)	(378,448)	(541,185)	31,209
Fund balances brought forward		10,811,145	390,350	394,300	11,595,795	11,564,586
Fund balances carried forward		10,881,464	157,294	15,852	11,054,610	11,595,795

CLIFF COLLEGE


CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2022

	Note	2022 £	As Restated 2021 £
Fixed assets			
Tangible assets	11	10,845,922	10,672,934
Investments	12	15,852	494,402
		<u>10,861,774</u>	<u>11,167,336</u>
Current assets			
Debtors	13	332,491	567,982
Cash at bank and in hand		196,035	254,734
		<u>528,526</u>	<u>822,716</u>
Creditors: amounts falling due within one year	14	<u>(235,015)</u>	<u>(304,892)</u>
Net currents assets		<u>293,511</u>	<u>517,824</u>
Total assets less current liabilities		<u>11,155,285</u>	<u>11,685,160</u>
Creditors: amounts falling due after more than one year	15	<u>(140,000)</u>	<u>(168,000)</u>
Net assets		<u>11,015,285</u>	<u>11,517,160</u>
Capital funds			
Endowment funds	17	15,852	394,300
Income funds			
Restricted funds	18	157,294	390,350
Unrestricted funds General		10,842,139	10,732,510
		<u>11,015,285</u>	<u>11,517,160</u>

The financial statements were approved and authorised for issue by the Board on 27/03/2023
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE

CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2022

	Note	2022 £	As Restated 2021 £
Fixed assets			
Tangible assets	11	10,845,922	10,672,934
Investments	12	15,852	494,402
		<u>10,861,774</u>	<u>11,167,336</u>
Current assets			
Debtors	13	396,994	630,329
Cash at bank and in hand		153,057	220,103
		<u>550,051</u>	<u>850,432</u>
Creditors: amounts falling due within one year	14	<u>(217,215)</u>	<u>(253,973)</u>
Net currents assets		<u>332,836</u>	<u>596,459</u>
Total assets less current liabilities		<u>11,194,610</u>	<u>11,763,795</u>
Creditors: amounts falling due after more than one year	15	<u>(140,000)</u>	<u>(168,000)</u>
Net assets		<u>11,054,610</u>	<u>11,595,795</u>
Capital funds			
Endowment funds	17	15,852	394,300
Income funds			
Restricted funds	18	157,294	390,350
Unrestricted funds General		10,881,464	10,811,145
		<u>11,054,610</u>	<u>11,595,795</u>

The financial statements were approved and authorised for issue by the Board on 27/03/2023
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2022**

	Notes	2022 £	2021 £
Cash flow from operating activities	21	(424,260)	(205,385)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(49,287)	(36,350)
Receipts from sale of investments		441,485	70,000
Interest received		6,838	2,326
Interest paid		(5,475)	(6,302)
Net cash flow from investing activities		393,561	29,674
		(30,699)	(175,711)
Cash flow from financing activities			
Bank loan repayments		(28,000)	(28,000)
Net cash flow from financing activities		(28,000)	(28,000)
Net (decrease) in cash and cash equivalents		(58,699)	(203,711)
Cash and cash equivalents at beginning of year		254,734	458,445
Cash and cash equivalents at end of year		196,035	254,734

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Company information

Cliff College is a registered charity (no 529386). The principal address is Calver, Hope Valley, Derbyshire, S32 3XG.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements consolidate the accounts of Cliff College and Cliff College Outreach Limited (a company limited by guarantee, registered company number 02331438).

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the main functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

After due consideration of all relevant factors the charity's income and cash flow forecasts and projections indicate that the charity should be able to continue to operate for the foreseeable future.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.2 Charitable funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

1.3 Income recognition

Grants are accounted for on a receivable basis.

For legacies, entitlement and recognition is the earlier of receipt of the legacy or where it is probable that it will be received.

Donations received towards student fee sponsorship may be deferred for use in later years. The disbursements from this fund vary according to student needs.

Incoming resources from endowment funds are unrestricted and are transferred to unrestricted funds at the end of the financial year.

Student fees invoiced in advance are treated as deferred income.

1.4 Expenditure recognition

Resources expended are recognised in the year in which the liability is incurred.

Costs of raising funds relate to the cost of bookshop stock, of providing conference facilities and other fundraising activities.

Expenditure relating to charitable activities includes all the costs, including support costs, relating to the running of the college as an educational institution.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Straight line over 100 years
Property refurbishment	Straight line over 15 years
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income / (expenditure) for the year.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on revaluation of fixed assets in the SoFA.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

1.6 Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gain/losses in the SOFA.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.8 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

The charity participates in a multi-employer defined benefit scheme, as the proportion attributable to the charity is not separately identifiable, the pension schemes are accounted for as defined contribution pension schemes in the accounts. Following the closure of the defined benefit pension scheme the charity contributed to a defined contribution pension scheme. Further details are included in note 16.

1.9 Cash and cash equivalents

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

1.10 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.11 Judgements and key sources of estimation uncertainties

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have based their estimate of the value of the land and buildings of the charity on independent professional valuations. The accuracy of these valuations could therefore have a material adjustment to the carrying amount of assets and liabilities.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

2	Donations and legacies	Group and Charity			Total 2021 £
		Unrestricted Fund £	Restricted Fund £	Total 2022 £	
	Donations and gifts	60,182	-	60,182	65,701
	Legacies receivable	162,303	-	162,303	144,699
	DMLN grant from the Methodist Church	425,096	-	425,096	386,926
	Global Partnership income	-	126,129	126,129	113,500
	Other grants	32,996	-	32,996	291,624
		<u>680,577</u>	<u>126,129</u>	<u>806,706</u>	<u>1,002,450</u>
	For the year ended 31 August 2021	<u>843,950</u>	<u>158,500</u>		<u>1,002,450</u>
				2022 £	2021 £
	Legacies receivable				
	Unrestricted funds				
	S Britton			90,000	-
	A Wheeler			20	73,900
	P Stephens			72,283	60,000
	L K Keow			-	5,055
	A Moden			-	5,639
	S Taylor			-	105
				<u>162,303</u>	<u>144,699</u>
3	Charitable activities	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Student fees	638,308	580,127	638,308	580,127
	Festival Income	68,183	-	68,183	-
		<u>706,491</u>	<u>580,127</u>	<u>706,491</u>	<u>580,127</u>
4	Other trading activities	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
	Trading income	<u>332,062</u>	<u>244,978</u>	<u>2,010</u>	<u>-</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

5	Investment income	Group and Charity			
		Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
	Central Finance Board Funds	6,838	-	6,838	2,326
	Other investment income	-	-	-	1,365
		<u>6,838</u>	<u>-</u>	<u>6,838</u>	<u>3,691</u>
	For the year ended 31 August 2021	<u>3,691</u>	<u>-</u>		<u>3,691</u>

6	Other income	Group		Charity	
		2022 £	2021 £	2022 £	2021 £
	Rental Income	201,337	59,622	169,749	112,394
	Other income	4,000	28,750	125,588	30,228
		<u>205,337</u>	<u>88,372</u>	<u>295,337</u>	<u>142,622</u>

7	Charitable expenditure	Group and Charity				
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
	Staff costs	758,569	62,835	-	821,404	776,079
	Methodist Church stipends	106,668	66,953	-	173,621	115,303
	Student course costs	161,907	30,264	-	192,171	174,681
	Festival costs	101,917	-	-	101,917	24,447
	Global Partnership costs	-	66,733	-	66,733	81,416
	Theology X Platform costs	-	40,120	-	40,120	131,636
	Other	94,942	-	-	94,942	73,619
		<u>1,224,003</u>	<u>266,905</u>	<u>-</u>	<u>1,490,908</u>	<u>1,377,181</u>
	Share of support costs (see note 8)	647,311	-	-	647,311	508,227
		<u>1,871,314</u>	<u>266,905</u>	<u>-</u>	<u>2,138,219</u>	<u>1,885,408</u>
	For the year ended 31 August 2021	<u>1,621,581</u>	<u>263,827</u>	<u>-</u>		<u>1,885,408</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

8 Allocation of support costs	Group and Charity		Total £
	Charitable £	Other £	
2022			
Governance	32,492	10,831	43,323
Finance	42,736	14,245	56,981
IT	85,292	28,431	113,723
Property costs	89,970	29,990	119,960
Depreciation	68,478	22,826	91,304
Office costs	117,800	39,266	157,066
Irrecoverable VAT	62,630	20,876	83,506
Other	147,913	49,305	197,218
	<u>647,311</u>	<u>215,770</u>	<u>863,081</u>
2021			
Governance	20,624	6,874	27,498
Finance	49,463	16,488	65,951
IT	74,972	24,991	99,963
Property costs	75,280	25,094	100,374
Depreciation	44,828	14,943	59,771
Office costs	63,421	21,140	84,561
Irrecoverable VAT	59,885	19,962	79,847
Other	119,754	39,917	159,671
	<u>508,227</u>	<u>169,409</u>	<u>677,636</u>

Support costs have been allocated based on the relevant proportions of income.

Governance costs includes audit and accountancy fees for the year of £13,925 (2021: £12,250).

9 Trustees and key management remuneration

Cliff College is controlled by The Methodist Council, whose members are the Trustees of Cliff College and appoint the Cliff College Committee to serve as the governing body of the college.

The college considers its key management personnel to be its Executive Committee which comprise the Principal, the Academic Director, Operations Director, and Global and Learning Innovation Director. The total amount of benefits received by key management personnel is £230,689 (2021: £180,350).

Other than the Principal who is part of the Executive Committee, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year six (2021: six) members of the Cliff College Committee were reimbursed a total of £828 (2021: £901) relating to travel expenses.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

10 Employees	Group	
	2022 Number	2021 Number
Number of employees		
College	43	42
Employment costs	Group	
	2022 £	2021 £
Wages and salaries	1,092,814	1,034,325
Social security costs	105,359	91,511
Other pension costs	62,254	58,529
Total staff costs	1,260,427	1,184,365

There are no employees whose annual emoluments were £60,000 or more.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

11 Tangible fixed assets	Group and Charity					
	Investment Properties	Land and Buildings	Computer Equipment	Plant, Equipment & Furniture	Motor Vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 September 2021	4,095,000	6,516,000	354,559	461,533	19,700	11,446,792
Additions	-	-	24,934	24,353	-	49,287
Revaluation	215,000	-	-	-	-	215,000
At 31 August 2022	4,310,000	6,516,000	379,7493	485,886	19,700	11,711,079
Depreciation						
At 1 September 2021	-	-	316,094	446,394	11,370	773,858
Charge for the year	-	46,190	35,692	8,743	674	91,299
At 31 August 2022	-	46,190	351,786	455,137	12,044	865,157
Net book value						
At 31 August 2022	4,310,000	6,469,810	27,707	30,749	7,656	10,845,922
At 31 August 2021	4,095,000	6,516,000	38,465	15,139	8,330	10,672,934

Investment Properties included at valuation had a historical cost of £1,778,218 (2021: £1,778,218) with accumulated depreciation of £80,973. (2021: £80,973). Land and buildings included at valuation had a historical cost of £7,002,187 (2021: £7,002,187) with accumulated depreciation of £1,312,628 (2021: £1,266,438).

Freehold land and buildings were subject to independent professional valuation at 31 August 2021.

Investment Properties were subject to independent professional valuations at 31 August 2022. The valuations were undertaken by Riddle & Co based on market value.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

12 Fixed asset investments

	Group and Charity		
	CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
Market value at 1 September 2021	160,974	333,428	494,402
Disinvestments	(137,494)	(304,018)	(441,485)
Change in value in the year	(8,075)	(28,963)	(37,065)
Market value at 31 August 2022	15,405	447	15,852

The custodian trustees are the Trustees for the Methodist Connexional Funds (Registered) and the Trustees for Methodist Church Purposes. The market value of the investments has been provided by the Trustees for Methodist Church Purposes (TMCP).

13 Debtors	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	111,480	199,338	46,456	109,913
Amounts owed by group undertakings	-	-	129,527	151,772
Other debtors	174,929	318,475	174,929	318,475
Prepayments and accrued income	46,082	50,169	46,082	50,169
	332,491	567,982	396,994	630,329

14 Creditors: amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade creditors	116,991	145,532	114,151	116,458
Tax and social security costs	39,307	39,085	26,097	22,319
Other creditors	9,193	43,766	9,193	38,687
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	41,524	48,509	39,774	48,509
	235,015	304,892	217,215	253,973

15 Creditors: amounts falling due after more than one year

	2022	2021	2022	2021
	£	£	£	£
Bank Loan	140,000	168,000	140,000	168,000

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

16 Pension costs

The College is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2022 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2022	2021
	%	%
Discount rate	3.9	1.7
RPI inflation rate	3.5	3.5
CPI inflation rate	3.0	2.8
Rate of increase in pensionable earnings	3.0	2.8
Rate of increase in pension payments	2.3/3.4/5.0	2.3/3.3/5.0

The major categories of the Scheme's assets (excluding money purchase AVCs) as a percentage of the total Scheme assets, were as follows:

	31 August 2022	31 August 2021
	%	%
Equities	12	44
Corporate bonds	37	5
Property	10	8
Cash	16	9
Liability driven investment	20	30
Annuities	5	4

The following amounts at 31 August 2022 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	70.0
Present value of scheme liabilities	66.9
Net overfunding in Scheme	<u>3.1</u>
Unrecognised assets	<u>(3.1)</u>
Net Defined Benefit Asset	<u>0.0</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

16 Pension costs (continued)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the College is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the College. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. The College would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on that date.

A full actuarial valuation of the Scheme was carried out at 1 September 2020 by the Scheme Actuary. The valuation disclosed a past service deficit of £16.7m. It was agreed that the shortfall revealed at 1 September 2020 should be eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £2,380,000 per annum each August, starting August 2021 up to and including August 2026; and
- Between £0 and £529,000 each December, starting December 2021 up to and including December 2026. The precise amount payable will be determined by the Scheme Actuary having regard to Scheme experience.

An update of the funding position as at 1 September 2021 was carried out by the Scheme Actuary. This showed that the past service deficit had reduced from £16.7m to £1.6m.

The next full actuarial valuation is due to be carried out as at 1 September 2023.

The College contributed to a defined contribution pension scheme on behalf of its employees. The employer contributions paid to the Scheme during the year totalled £62,254 (2021: £58,529).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

17 Permanent Endowment funds

Group and Charity

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2022 £
General	12,268	-	-	(2,799)	(490)	8,979
Library	3,475	-	-	(3,475)	-	-
Ministerial	11,710	-	-	(11,710)	-	-
Perpetuated subscriptions	3,256	-	-	(3,256)	-	-
Student fees	189,780	-	-	(189,780)	-	-
Student fees (3 rd party interest)	146,592	-	-	(146,592)	-	-
Student prizes	18,598	-	-	(11,726)	1	6,873
Trekkers	8,621	-	-	(8,621)	-	-
	<u>394,300</u>	<u>-</u>	<u>-</u>	<u>(377,959)</u>	<u>(489)</u>	<u>15,852</u>

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2021 £
General	10,782	-	-	-	1,486	12,268
Library	3,539	-	-	-	(64)	3,475
Ministerial	11,936	-	-	-	(226)	11,710
Perpetuated subscriptions	3,319	-	-	-	(63)	3,256
Student fees	226,744	-	-	(35,000)	(1,964)	189,780
Student fees (3 rd party interest)	123,856	-	-	-	22,736	146,592
Student prizes	18,067	-	-	-	531	18,598
Trekkers	8,787	-	-	-	(166)	8,621
	<u>407,030</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>22,270</u>	<u>394,300</u>

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022**

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes.

	As restated					
	Balance at 1 September 2021	Income	Expenditure	Transfers	Investment Gains/ (losses)	Balance 31 August 2022
	£	£	£	£	£	£
Global Partnership	48,255	116,129	(88,894)	6,371	-	81,861
Bursary Fund	47,404	-	(21,614)	-	-	25,790
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Support Fund	6,371	-	-	(6,371)	-	-
The Story Project	29,631	-	-	(29,631)	-	-
Theology X Project	166,121	10,000	(113,472)	(62,649)	-	-
Evangelistic Funds	42,925	-	(42,925)	-	-	-
Other	21,798	-	-	-	-	21,798
	<u>390,350</u>	<u>126,129</u>	<u>(266,905)</u>	<u>(92,280)</u>	<u>-</u>	<u>157,294</u>

As restated (see note 19)

	Balance at 1 September 2020	Income	Expenditure	Transfers	Investment gains/ (losses)	Balance at 31 August 2021
	£	£	£	£	£	£
Global Partnership	56,699	113,500	(121,944)	-	-	48,255
Bursary Fund	28,722	-	(15,775)	35,000	(543)	47,404
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	29,631	-	-	-	-	29,631
Theology X Project	390,069	45,000	(268,948)	-	-	166,121
Evangelistic Funds	80,715	-	(35,000)	-	(2,790)	42,925
Other	21,798	-	-	-	-	21,798
	<u>641,850</u>	<u>158,500</u>	<u>(441,667)</u>	<u>35,000</u>	<u>(3,333)</u>	<u>390,350</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

18 Restricted funds

Global Partnership receives funding from the Methodist Church to arrange mission trips to developing countries.

The **Bursary Fund** exists to provide support to students who need help paying for their course fees.

The **Welfare Fund** exists to provide support to students who are in general financial difficulties. Disbursements are made according to need.

The **World Mission Fund** support comprises funds provided by the Methodist Church to enable engagement with the global church in patterns of mutual engagement and enrichment.

The **Story Project** is a national partnership involving the Methodist Church's Evangelism and Growth Team, Cliff College and the Regional Learning Network. Its aim is to give people both the platform and confidence to share their story.

The **Theology X** project comprises funds provided by the Methodist Church to aid the development of an online learning platform, Theology X.

Evangelistic Funds exist to encourage and enable Christian outreach through training, support and missional activity.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions placed upon it.

Transfers

Permanent Endowment Funds

Transfers include the transfer to unrestricted funds after confirmation was received from TMCP that funds held were Surplus Funds (both capital and income can be used for any purpose). The remaining investments have been confirmed as Permanent Endowments.

Restricted

Transfers include the transfer of World Mission Support Funds to Global Partnership as both funds have the same objective. The transfer shown from the Story Project and Theology X to unrestricted funds relate to funds spent in concluding each project.

19 Restatement of comparatives

The prior year figures within the SoFA and Balance Sheet have been restated to reflect the reclassification of expenditure from unrestricted funds to restricted funds. The effect of the restatement has been to increase unrestricted funds by £177,840 and reduce restricted fund balances by the same amount at 31 August 2021. There has been no change to total fund balances at 31 August 2021.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

20 Analysis of net assets between funds

2022	Unrestricted Funds	Restricted funds	Endowment funds	Total 2022
Charity	£	£	£	£
Tangible fixed assets	10,845,922	-	-	10,845,922
Investments	-	-	15,852	15,852
Net current assets	175,542	157,294	-	332,836
Creditor greater than one year	(140,000)	-	-	(140,000)
	<u>10,881,464</u>	<u>157,294</u>	<u>15,852</u>	<u>11,054,610</u>
Cliff College Outreach Ltd				
Net current assets	(39,325)	-	-	(39,325)
Group	<u>10,842,139</u>	<u>157,294</u>	<u>15,852</u>	<u>11,015,285</u>
As restated 2021	Unrestricted funds	Restricted funds	Endowment funds	Total 2021
Charity	£	£	£	£
Tangible fixed assets	10,672,934	-	-	10,672,934
Investments	68,079	149,200	277,123	494,402
Net current assets	238,132	241,150	117,177	596,459
Creditor greater than one year	(168,000)	-	-	(168,000)
	<u>10,811,145</u>	<u>390,350</u>	<u>394,300</u>	<u>11,595,795</u>
Cliff College Outreach Ltd				
Net current assets	(78,635)	-	-	(78,635)
Group	<u>10,732,510</u>	<u>390,350</u>	<u>394,300</u>	<u>11,517,160</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2022

21 Reconciliation of net (expenditure) to net cash flow from operating activities	Group	
	2022 £	2021 £
Net (expenditure) for the year	(716,875)	(413,286)
Interest receivable	(6,838)	(2,326)
Interest payable	5,475	6,302
Losses/(gains) on investment	37,065	(17,625)
Depreciation on tangible fixed assets	91,299	59,771
Decrease in debtors	235,491	160,187
(Decrease) Increase in creditors	(69,877)	1,592
Net cash flow from operating activities	(424,260)	(205,385)

22 . Operating lease commitments

At 31 August 2022 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2022 £	2021 £
Within one year	267	800
Within two to five years	-	267
Total	267	1,067

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2022

23 Related parties

Cliff College has a subsidiary company, Cliff College Outreach Limited. Cliff College Outreach Limited is a company limited by guarantee whose members are made up of the Cliff College Committee.

Cliff College Outreach Limited was set up in 1988 in order to serve the College in the building of the Broadbelt and Eagles buildings and to act as the vehicle carrying out the trading activities of the charity as provider of conference accommodation to third parties during times when the buildings were not being used by the College for housing students.

The activities of Cliff College Outreach Limited are in line with the policies and strategies of Cliff College, and indeed occupy the same premises and complement the overall charitable activities and financial strength of the charity.

Details of the subsidiary company's assets at 31 August 2022 and results for the year then ended are as follows:

	Cliff College Outreach Ltd
	£
Turnover	330,052
Cost of sales	(76,577)
Gross profit	253,475
Administrative expenses	(218,165)
Other operating income	4,000
Profit for the year	39,310
Debtors	65,024
Cash at bank and in hand	42,976
	108,002
Creditors	(147,327)
Net liabilities	(39,325)

CLIFF COLLEGE

England & Wales - Charity number 529386

Accounts

CHARITY REGISTRATION NUMBER 529386

**CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2021**



CLIFF COLLEGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd Loraine Mellor (Chair) Stephen Holliday (Vice-Chair) Revd Ashley Cooper (Principal) Ashley France Matthew Lee Revd Leslie Newton (appointed 1 September 2021) Revd Raj Patta (appointed 1 September 2021) Joan Ryan Revd Paul Smith
Charity number	529386
Principal address	Cliff College Calver Hope Valley Derbyshire S32 3XG
Auditors	Hawsons Chartered Accountants Statutory Auditor Pegasus House 463a Glossop Road Sheffield S10 2QD
Bankers	HSBC Belgravia Branch The Peak 333 Vauxhall Bridge Road London SW1V 1EJ
Solicitors	Graysons Solicitors Courtwood House Silver Street Head Sheffield S1 2DD

CLIFF COLLEGE

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CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Cliff College Committee (CCC), the Cliff College managing trustees, present their report and accounts for the year ending 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice.

Structure, governance and management

The charity is governed by two charitable trust deeds, one dated 1903 and a second dated 1930. The members of the CCC who served during the year were:

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Revd Christine Dutton (resigned 31 August 2021)
Ashley France
Matthew Lee
Revd Paul Smith
Joan Ryan
Revd Dr Roger Walton (resigned 31 August 2021)

The CCC is appointed by the Methodist Council. In the appointment of members to serve on the CCC, the Methodist Church seeks to employ the widest possible range of skills and expertise, and fully bears this in mind when inviting new managing trustees to take up their responsibilities. Each member of the CCC is a member of a sub-group that meets to scrutinise and report on an element of the College's life and work. All new CCC members are inducted in briefing meetings with the Principal and senior staff members.

Appointments to the CCC are for an initial period of three years, with the option to extend for up to a further three years. Thereafter, a member may serve for a further year if the nomination is supported by 75% of the members present at a meeting to consider the nomination.

The ultimate responsibility for the College lies with Methodist Conference and, as the College is part of the wider Methodist Church, it is governed by Methodist Church standing orders and the decisions made annually by the Methodist Conference. The Trusteeship is held by the Methodist Council which appoints the CCC to govern the College.

The strategic direction of the charity is set by the CCC which then delegates the day-to-day running of the College to the College's Executive Committee (an internal management group consisting of the Principal, the Academic Director, the Global and Learning Innovation Director, and the Operations Director). The CCC Chair and Vice-Chair receive the minutes of the Executive Committee meetings and attend meetings when appropriate. The Executive Committee reports to the CCC at each of its meetings.

The CCC also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the commercial trading arm of the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

The College's vision is 'to be a beacon of excellence for training in mission and evangelism, serving the church, especially in the UK but also internationally'.

In living out this vision, the College recognises its commitment to the Methodist Church and its heritage in the Wesleyan family; it exists to train people in mission and evangelism, which aims to impact all sections of the church and serve the widest possible constituency. These are achieved through:

- a range of validated courses and programmes with mission and evangelism at their core
- short courses and Summer Schools to serve the needs of lay people in the church
- evangelists to act as a catalyst for mission and evangelism in the church
- an annual Festival to deliver a vibrant programme for all ages
- the Cliff Year to provide young people with a year of vocational exploration
- the conference centre to provide accommodation for individuals and groups
- Global partnerships to support lay and ordained training across the globe

Cliff College exists for the charitable purposes of the advancement of education and of the advancement of religion. All other charitable activities undertaken by the College are to further the attainment of its vision. The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Risk factors

The CCC have assessed the major risks to which the charity is exposed and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained by the Executive Committee and the register is reviewed and approved by the CCC on an annual basis.

The most serious risks to Cliff College's survival and development are identified as:

- Impact of the coronavirus pandemic on the College
- insufficient student numbers leading to a loss in income
- changes in Government legislation and/or the policies of our partners

These risks have been managed in a variety of ways:

The College closed to students on 9 December 2020 due to coronavirus, following government advice and the introduction of a national lockdown, although the conference centre had remained closed for conferences since the first national lockdown in March 2020. This impacted the College in a number of ways:

- Courses were moved online, using the College's learning platform, enabling students to continue with their programmes of studies.
- Conference centre bookings were cancelled, and the College successfully diversified with the provision of bed and breakfast accommodation in the summer and also the rental of the site to a film company over the summer.
- Cliff Festival on-site was cancelled and replaced by an online Festival.
- Staff, for whom this was possible, were supported to work from home whilst those with roles based at Cliff were moved onto the flexible furlough scheme.
- The College took full advantage of grants and other financial packages available from the government.

In terms of student recruitment, the new College website has proved effective with much clearer and concise course information being made available and has provided good links to the College's growing social media presence. Recruitment processes have been developed online with successful virtual open days. A number of online courses were developed, at both short course and MA levels, and further work is being undertaken to increase the range of courses available. The College was recertified to participate in the US Federal Direct loan programme with the first full-time American students completing their final year at the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The College remains up to date with government policy and maintains good relationships with the Office for Students, with extra meetings scheduled during the pandemic to ensure the College remains in a strong position. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood.

Achievements and performance

The College runs taught academic programmes at both undergraduate and postgraduate levels, as well as supervising research programmes. All of the College's academic programmes are validated by the University of Manchester, a Russell Group university, which unconditionally revalidated the College for five years from 1 January 2016.

Undergraduate programmes include:

- Certificate, Diploma and Honours degree programmes in Theology and Ministry
- Certificate, Diploma and Honours degree programmes in Mission and Ministry

Postgraduate programmes include Postgraduate Certificate, Diploma and Masters degree programmes in Mission, with specialist pathways including:

- Biblical Theology and Mission
- Children's and Youth Mission
- Christian Mentoring
- Disability, Theology and Mission
- Leadership, Mission and Renewal
- Literature, Theology and Culture
- Mission and Evangelism
- Mission and Global Justice
- Mission and Islamic contexts
- Pioneering Ministries/Fresh Expressions
- Spirituality and Mission
- PhD programme (research)
- PhD Missiology programme (professional doctorate)

The College's academic team continues to develop and deliver various courses in effective ways so that the educational and religious aims of the charity continue to be achieved. As part of its Christian heritage, and by provision being built into the learning objectives of accredited programmes, Cliff College students continue to engage in periods of placement and mission. For full-time students these placement experiences significantly increase their employability, and a Year in Mission has been developed to enable this. Most part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

The College also maintains three research centres, providing annual lectures and research opportunities on three topics:

- The Samuel Chadwick Centre: focussing on gathering and disseminating the fruits of research in pneumatology with particular reference to the Wesleyan, Pentecostal and charismatic traditions.
- The Bible, Church and Gender Centre: focusing on biblical and practical gender studies and how these intersect and inform the lives of women and men in the contemporary church
- Generation: the centre for the study of youth, children and families mission and ministry

Alongside the validated programmes the College offers a wide range of short courses for those in a variety of ministry roles throughout the church. This growing programme provides learning opportunities for both those new to these roles and those looking for continuing development opportunities and is enhanced by Cliff Local, short courses delivered more locally to those attending.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Cliff Global Partnerships

The work of Global Partnerships team has continued to develop and focuses on three main areas:

- In country training: providing training and support for training, in partnership with local training centres, at a variety of levels to meet the local needs.
- Immersion trips: providing experiences of the global church to groups of individuals from the UK, including from Cliff College.
- Theology X: providing a learning platform that underpins in country training either via the internet or a 'Theo' intranet device.

Coronavirus has changes the team's emphasis with Theology X becoming an invaluable tool that has enabled learning to continue.

The Global Partnerships team work in partnership with the Methodist Church Global Relationships team with developing relationships and partnerships with a number of British Methodist Church partners, including in Nigeria, Kenya, Korea, Sierra Leone and Uganda. Two other important relationships are with Perkins School of Theology, in Dallas, and the Methodist E Academy.

Library

The library is a valuable resource for students, not only for those attending internal courses but also for others who come to carry out their research activities. The move to online learning has led to a significant investment in the Digital Theology Library, to support the physical resources at Cliff. The archive section continues to grow in size and importance, attracting students wishing to explore Methodist history and heritage in detail; it is a part of one of the largest collections of Wesleyan material to be found throughout the world, located at sites connected to the University of Manchester.

Festival

The Cliff College 'Festival' is a major public event that the College holds each year over the second bank holiday weekend in May. Sadly, Festival was again cancelled in 2021 and was replaced by Festival at Home, an online Festival that was supported by Methodist Church partners, the Methodist Church Learning Network and All We Can. Festival at Home was still able to provide a resource for church groups and individuals as well as being an important aspect of our student recruitment activity.

CCO (Cliff College Outreach Limited)

CCO is the trading arm of the College, providing a range of activities that support the charitable aims of the College. There are two specific areas of activity the CCO oversees:

- The Conference Centre provides high-quality facilities and modern accommodation options across the site to a wide range of customers. The closure of the College in March led to a number of cancellations but the diversification into online conferences and bed and breakfast and site rental continued to provide income.
- Theology X Commercial provides space on the online learning platform to a range of other organisations, both in the UK and across the globe.

Profits from CCO are donated to the College under the Gift Aid scheme. The board of directors continues to actively monitor the financial context in which CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

From a financial point of view, the College had a second difficult year due to the coronavirus pandemic and the second closure in December 2020. This impacted the financial performance in a number of ways:

- University of Manchester validated programmes were moved online and, in order to respond to this expectation, the College continued to invest in both hardware and software to ensure a quality product was available.
- Short courses had been cancelled from March 2020 and did not return until the summer of 2021. Some short courses have been moved online and these continue to be developed.
- The Cliff Year, the College's gap year programme, completed much of the year online with the majority of those involved moving on to further education including three joining undergraduate programmes at Cliff.
- The Conference Centre was not able to host any conferences until June 2021 and therefore lost the majority of its season. It was, however, able to diversify through the hosting of online conferences and providing bed and breakfast accommodation to the leisure market and renting the site out to a film company over the summer.
- The opportunity for the Global Partnership's team to travel was halted and other ways were found to support overseas partners.
- support and enable the work of global partners, particularly through the use of online solutions.

Property rentals remained strong but the College closure required students to remain at home for four months and therefore there was an overall reduction in income.

In January 2020 the College undertook a financial modelling exercise and put a number of strategies in place to minimise the end of year deficit. These included:

- the reduction of expenditure to that which was necessary to maintain the College and enable online learning
- the development of further online courses to develop new income streams
- the maximisation of government grants and incentives and making full use of the furlough scheme
- the development of new income generating business, eg. B&B, online conferences, etc.

Investment in IT systems and hardware was increased to meet the needs of online learning and significant expenditure was required to meet this need. This was funded through a legacy received during the year.

The College continues to make students aware of their financial responsibilities and to this end all new undergraduate students are provided with information and support in managing their personal finances. One-to-one 'finance' interviews are held with all residential students, in which they are made aware of the specific charges that they will be required to pay to the College for tuition fees and residential fees; a payment plan is then agreed upon. Most of these UK students are able access loans from the Student Loans Company to finance their studies. Throughout the year, student accounts are closely monitored to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, whilst some of our Master's programme students are funded by their employer, these loans are beneficial to those who are not.

In July 2020, the annual Methodist Conference, the governance body of the Methodist Church, agreed a budget which included financial support for the College covering the next three years. Whilst budgets beyond this period have not yet been approved, there are no plans to deviate from this on-going financial support.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies and have continued to provide this support during the year. The outcome of this generosity is that many investments have been made to provide an income, some for the specific benefit of the students and some to provide general income for the College. Most of the funds are invested through either the Trustees for Methodist Church Purposes (TMCP) or the Central Finance Board of the Methodist Church (CFB) and are therefore subject to the Methodist Church's ethical investment policy. Interest rates continue at the low levels experienced in previous years, but the College is still committed to moving its investments, where possible, into higher yielding funds without compromising its commitment to a low risk investment strategy as befits a charity.

Arrangements for settling the remuneration of key management personnel

The salaries of key management personnel are set by the CCC, with reference to recommended ministerial stipend set by the Methodist Church for ordained staff, with other salary levels set alongside those offered in the theological college sector (for teaching staff), and general salary levels (for non-teaching staff) with the Living Wage Foundation Living Wage as a benchmark.

Reserves policy

At the 31 August 2021 the College held total reserves of £11,517,160. During the year, the College received income of £1,919,618 and had expenditure of £2,350,529 which after gains on investments of £17,625 and gains on the revaluation of fixed assets of £536,273 resulted in a net increase in reserves of £122,987.

The reserves have also increased by £2,641,733 following the restatement of the comparative figures to include land and buildings and investment properties at market value at 31 August 2020.

It is the policy of the College that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. As at 31 August 2021 the College had a deficit of unrestricted free reserves of £118,264. The CCC are aware that the current level of free reserves is not consistent with the College's reserves policy but have agreed a strategy to restore reserves to an appropriate level. They therefore consider that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

Plans for the future

The College has recognised that greater diversity in income is essential and its developing 'Vision 21', to be launched on 1 September 2021, is key to this way of working. In the medium term we are looking to three key developments:

- enhancing the College's package of courses and programmes including a wide range of online learning options, building on the innovations made in response to coronavirus
- making our learning platform more widely available to other users, to lease space for their own learning packages
- developing the site for leisure use at particular periods during the year, following a pilot in the summer of 2020

In the shorter term our priority is to replenish reserves and the College will enable that by selling one of the properties it owns. This will provide the College with a firm financial foundation on which to move forward with Vision 21, as highlighted above.



On behalf of the board of managing trustees,
Revd Ashley Cooper, Principal and Trustee

CLIFF COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Opinion

We have audited the financial statements of Cliff College (the 'charity') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Statement of Financial Activities, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 August 2021, and of the group's 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 group and parent 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 and 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.

Other Information

The other information comprises the information included in the trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

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; or
- sufficient accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

In the light of our knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, 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 group and parent 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 group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The parent charitable company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102 and the Charities Act 2011. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the charity's result for the period, and management bias in key accounting estimates.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Audit procedures performed by the engagement team included:

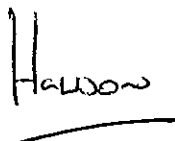
- Discussions with management and those responsible for legal compliance procedures within the parent charitable company to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustee meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates.
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. 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.



Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

27 May 2022

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

CLIFF COLLEGE

**GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	As restated Total 2020
		£	£	£	£	£
Income from:						
Donations and legacies	2	843,950	158,500	-	1,002,450	1,675,464
Charitable activities	3	580,127	-	-	580,127	701,451
Other trading activities	4	244,978	-	-	244,978	207,881
Investments	5	3,691	-	-	3,691	10,145
Other	6	88,372	-	-	88,372	207,275
Total income		1,761,118	158,500	-	1,919,618	2,802,216
Expenditure on:						
Charitable activities	7	1,621,581	263,827	-	1,885,408	2,149,093
Other		465,121	-	-	465,121	512,730
Total expenditure		2,086,702	263,827	-	2,350,529	2,661,823
Gains/(losses) on investments	12	(1,312)	(3,333)	22,270	17,625	2,826
Net (expenditure)/income		(326,896)	(108,660)	22,270	(413,286)	143,219
Transfer between funds		-	35,000	(35,000)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		536,273	-	-	536,273	2,641,733
Net movement in funds		209,377	(73,660)	(12,730)	122,987	2,784,952
Fund balances brought forward		10,345,293	641,850	407,030	11,394,173	8,609,221
Fund balances carried forward		10,554,670	568,190	394,300	11,517,160	11,394,173

CLIFF COLLEGE

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2021	As restated Total 2020
		£	£	£	£	£
Income from:						
Donations and legacies	2	843,950	158,500	-	1,002,450	1,675,464
Charitable activities	3	580,127	-	-	580,127	701,451
Other trading activities	4	-	-	-	-	-
Investments	5	3,691	-	-	3,691	10,145
Other	6	142,622	-	-	142,622	265,275
Total Income		1,570,390	158,500	-	1,728,890	2,652,335
Expenditure on:						
Charitable activities	7	1,621,581	263,827	-	1,885,408	2,149,093
Other		366,171	-	-	366,171	381,746
Total expenditure		1,987,752	263,827	-	2,251,579	2,530,839
Gains/(losses) on Investments	12	(1,312)	(3,333)	22,270	17,625	2,826
Net (expenditure)/Income		(418,674)	(108,660)	22,270	(505,064)	124,322
Transfer between funds		-	35,000	(35,000)	-	-
Other recognised gains / (losses)						
Gains on revaluation of fixed assets		536,273	-	-	536,273	2,641,733
Net movement in funds		117,599	(73,660)	(12,730)	31,209	2,766,055
Fund balances brought forward		10,515,706	641,850	407,030	11,564,586	8,798,531
Fund balances carried forward		10,633,305	568,190	394,300	11,595,795	11,564,586

CLIFF COLLEGE

CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	11	10,672,934	10,160,082
Investments	12	494,402	546,777
		<u>11,167,336</u>	<u>10,706,859</u>
Current assets			
Debtors	13	567,982	728,169
Cash at bank and in hand		254,734	458,445
		<u>822,716</u>	<u>1,186,614</u>
Creditors: amounts falling due within one year	14	<u>(304,892)</u>	<u>(303,300)</u>
Net current assets		<u>517,824</u>	<u>883,314</u>
Total assets less current liabilities		<u>11,685,160</u>	<u>11,590,173</u>
Creditors: amounts falling due after more than one year	15	<u>(168,000)</u>	<u>(196,000)</u>
Net assets		<u>11,517,160</u>	<u>11,394,173</u>
Capital funds			
Endowment funds	17	394,300	407,030
Income funds			
Restricted funds	18	568,190	641,850
Unrestricted funds General	19	10,554,670	10,345,293
		<u>11,517,160</u>	<u>11,394,173</u>

The financial statements were approved and authorised for issue by the Board on...*24 May 2022*
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE

CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	11	10,672,934	10,160,082
Investments	12	494,402	546,777
		<u>11,167,336</u>	<u>10,706,859</u>
Current assets			
Debtors	13	630,329	918,763
Cash at bank and in hand		220,103	427,217
		<u>850,432</u>	<u>1,345,980</u>
Creditors: amounts falling due within one year	14	<u>(253,973)</u>	<u>(292,253)</u>
Net currents assets		<u>596,459</u>	<u>1,053,727</u>
Total assets less current liabilities		<u>11,763,795</u>	<u>11,760,586</u>
Creditors: amounts falling due after more than one year	15	<u>(168,000)</u>	<u>(196,000)</u>
Net assets		<u>11,595,795</u>	<u>11,564,586</u>
Capital funds			
Endowment funds	17	394,300	407,030
Income funds			
Restricted funds	18	568,190	641,850
Unrestricted funds General	19	10,633,305	10,515,706
		<u>11,595,795</u>	<u>11,564,586</u>

The financial statements were approved and authorised for issue by the Board on... *24 May 2022*
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee



CLIFF COLLEGE**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2021**

	Notes	2021 £	2020 £
Cash flow from operating activities	21	(205,385)	(168,671)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(36,350)	(46,989)
Interest received		2,326	7,050
Interest paid		(6,302)	(7,113)
Net cash flow from investing activities		(40,326)	(47,052)
		(245,711)	(215,723)
Cash flow from financing activities			
Disinvestments		70,000	75,000
Bank loan repayments		(28,000)	(28,000)
Net cash flow from financing activities		42,000	47,000
Net (decrease) in cash and cash equivalents		(203,711)	(168,723)
Cash and cash equivalents at beginning of year		458,445	627,168
Cash and cash equivalents at end of year		254,734	458,445

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2021

1 Accounting policies

Company Information

Cliff College is a registered charity (no 529386). The principal address is Calver, Hope Valley, Derbyshire, S32 3XG.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements consolidate the accounts of Cliff College and Cliff College Outreach Limited (a company limited by guarantee, registered company number 02331438).

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the main functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The current Covid-19 pandemic has given rise to an unexpected level of uncertainty for the charity. The charity has taken a number of actions to manage its cash flow. After due consideration of all relevant factors the charity's income and cash flow forecasts and projections indicate that the charity should be able to continue to operate for the foreseeable future.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.2 Charitable funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

1.3 Income recognition

Grants are accounted for on a receivable basis.

For legacies, entitlement and recognition is the earlier of receipt of the legacy or where it is probable that it will be received.

Donations received towards student fee sponsorship may be deferred for use in later years. The disbursements from this fund vary according to student needs.

Incoming resources from endowment funds are unrestricted and are transferred to unrestricted funds at the end of the financial year.

Student fees invoiced in advance are treated as deferred income.

1.4 Expenditure recognition

Resources expended are recognised in the year in which the liability is incurred.

Costs of raising funds relate to the cost of bookshop stock, of providing conference facilities and other fundraising activities.

Expenditure relating to charitable activities includes all the costs, including support costs, relating to the running of the college as an educational institution.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Straight line over 100 years
Property refurbishment	Straight line over 15 years
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income / (expenditure) for the year.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in net gains / (losses) on revaluation of fixed assets in the SoFA.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

1.6 Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gain/losses in the SOFA.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.8 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

The charity participates in a multi-employer defined benefit scheme, as the proportion attributable to the charity is not separately identifiable, the pension schemes are accounted for as defined contribution pension schemes in the accounts. Following the closure of the defined benefit pension scheme the charity contributed to a defined contribution pension scheme. Further details are included in note 16.

1.9 Cash and cash equivalents

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

1.10 Financial Instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.11 Judgements and key sources of estimation uncertainties

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have based their estimate of the value of the land and buildings of the charity on independent professional valuations. The accuracy of these valuations could therefore have a material adjustment to the carrying amount of assets and liabilities.

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021**

2 Donations and legacies	Group and Charity			Total 2020 £
	Unrestricted Fund £	Restricted Fund £	Total 2021 £	
Donations and gifts	65,701	-	65,701	100,935
Legacies receivable	144,699	-	144,699	471,889
DMLN grant from the Methodist Church	386,926	-	386,926	377,489
Global Partnership income	-	113,500	113,500	115,929
Other grants	246,624	45,000	291,624	609,222
	<u>843,950</u>	<u>158,500</u>	<u>1,002,450</u>	<u>1,675,464</u>
For the year ended 31 August 2020	<u>1,040,535</u>	<u>634,929</u>		<u>1,675,464</u>
			2021 £	2020 £
Legacies receivable				
Unrestricted funds				
A Wheeler			73,900	-
P Stephens			60,000	-
L K Keow			5,055	-
A Moden			5,639	252,000
D Ashworth			-	145,415
E Coggins			-	37,132
S Taylor			105	17,742
D Gammon			-	10,000
D Erdwin			-	6,100
S Drew			-	2,500
M Stoves			-	500
M Smaje			-	400
A Baxendale			-	100
			<u>144,699</u>	<u>471,889</u>

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021**

3 Charitable activities	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Student fees and accommodation	580,127	691,581	580,127	691,581
Festival Income	-	1,810	-	1,810
Evangelism	-	8,060	-	8,060
	<u>580,127</u>	<u>701,451</u>	<u>580,127</u>	<u>701,451</u>

4 Other trading activities	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trading income	<u>244,978</u>	<u>207,881</u>	-	-

5 Investment income	Unrestricted Funds £	Group and Charity		Total 2020 £
		Restricted Funds £	Total 2021 £	
Central Finance Board Funds	2,326	-	2,326	7,050
Other investment income	<u>1,365</u>	-	<u>1,365</u>	<u>3,095</u>
	<u>3,691</u>	-	<u>3,691</u>	<u>10,145</u>
For the year ended 31 August 2020	<u>10,145</u>	-		<u>10,145</u>

6 Other income	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Rental Income	59,622	82,037	112,394	165,037
Other income	<u>28,750</u>	<u>125,238</u>	<u>30,228</u>	<u>100,238</u>
	<u>88,372</u>	<u>207,275</u>	<u>142,622</u>	<u>265,275</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021

7 Charitable expenditure	Group and Charity				
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Staff costs	776,079	-	-	776,079	709,301
Methodist Church stipend costs	115,303	-	-	115,303	76,631
Student course costs	123,906	50,775	-	174,681	380,379
Festival costs	24,447	-	-	24,447	22,990
Global Partnership costs	-	81,416	-	81,416	121,743
Theology X Platform costs	-	131,636	-	131,636	102,086
Other	73,619	-	-	73,619	117,729
	<u>1,113,354</u>	<u>263,827</u>	<u>-</u>	<u>1,377,181</u>	<u>1,530,859</u>
Share of support costs (see note 8)	508,227	-	-	508,227	618,234
	<u>1,621,581</u>	<u>263,827</u>	<u>-</u>	<u>1,885,408</u>	<u>2,149,093</u>
For the year ended 31 August 2020	1,834,724	284,369	30,000		2,149,093

8 Allocation of support costs	Group and Charity		
	Charitable £	Other £	Total £
2021			
Governance	20,624	6,874	27,498
Finance	49,463	16,488	65,951
IT	74,972	24,991	99,963
Property costs	75,280	25,094	100,374
Depreciation	44,828	14,943	59,771
Office costs	63,421	21,140	84,561
Irrecoverable VAT	59,885	19,962	79,847
Other	119,754	39,917	159,671
	<u>508,227</u>	<u>169,409</u>	<u>677,636</u>
2020			
Governance	28,053	9,351	37,404
Finance	47,937	15,979	63,916
IT	80,425	26,808	107,233
Property costs	92,417	30,806	123,223
Depreciation	116,443	38,814	155,257
Office costs	75,986	25,329	101,315
Irrecoverable VAT	62,977	20,992	83,969
Other	113,996	29,332	143,328
	<u>618,234</u>	<u>197,411</u>	<u>815,645</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

8 Allocation of support costs (continued)

Support costs have been allocated based on the relevant proportions of income.

Governance costs includes audit and accountancy fees for the year of £12,250 (2020: £21,583).

9 Trustees and key management remuneration

Cliff College is controlled by The Methodist Council, whose members are the Trustees of Cliff College and appoint the Cliff College Committee to serve as the governing body of the college.

The college considers its key management personnel to be its Executive Committee which comprise the Principal, the Academic Director, Operations Director, and Global and Learning Innovation Director. The total amount of benefits received by key management personnel is £180,350 (2020: £183,148).

Other than the Principal who is part of the Executive Committee, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year six (2020: six) members of the Cliff College Committee were reimbursed a total of £nil (2020: £901) relating to travel expenses.

10 Employees

Number of employees	Group	
	2021 Number	2020 Number
College	42	42

Employment costs	Group	
	2021 £	2020 £
Wages and salaries	1,034,325	975,115
Social security costs	91,511	85,624
Other pension costs	58,529	52,520
Total staff costs	1,184,365	1,113,259

There are no employees whose annual emoluments were £60,000 or more.

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021**

11 Tangible fixed assets

Group and Charity

	Investment Properties	Land and Buildings	Computer Equipment	Plant, Equipment & Furniture	Motor Vehicles	Total
Cost or valuation	£	£	£	£	£	£
At 1 September 2020	3,722,727	6,352,000	321,279	458,463	19,700	10,874,169
Additions	-	-	33,280	3,070	-	36,350
Revaluation	372,273	164,000	-	-	-	536,273
At 31 August 2021	4,095,000	6,516,000	354,559	461,533	19,700	11,446,792
Depreciation						
At 1 September 2020	-	-	276,594	426,685	10,808	714,087
Charge for the year	-	-	39,500	19,709	562	59,771
At 31 August 2021	-	-	316,094	446,394	11,370	773,858
Net book value At 31 August 2021	4,095,000	6,516,000	38,465	15,139	8,330	10,672,934
At 31 August 2020	3,722,727	6,352,000	44,685	31,778	8,892	10,160,082

Land and buildings included at valuation had a historical cost of £8,780,405 with accumulated depreciation of £1,347,411.

Freehold land and buildings were subject to independent professional valuation at 31 August 2021. The valuation was undertaken by SMC Brownhill Vickers based on market value.

Investment Properties were subject to independent professional valuations at 31 August 2021. The valuations were undertaken by Riddle & Co and Valuation Limited based on market value.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

12 Fixed asset investments

	Group and Charity		Total £
	CFB Managed mixed fund £	CFB Managed fixed interest £	
Market value at 1 September 2020	136,008	410,769	546,777
Disinvestments	-	(70,000)	(70,000)
Change in value in the year	24,966	(7,341)	17,625
Market value at 31 August 2021	160,974	333,428	494,402

The custodian trustees are the Trustees for the Methodist Connexional Funds (Registered) and the Trustees for Methodist Church Purposes. The market value of the investments has been provided by the Trustees for Methodist Church Purposes (TMCP).

13 Debtors	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	199,338	162,085	109,913	134,674
Amounts owed by group undertakings	-	-	151,772	218,005
Other debtors	318,475	508,057	318,475	508,057
Prepayments and accrued income	50,169	58,027	50,169	58,027
	567,982	728,169	630,329	918,763

£Nil (2020: £203,500) of other debtors are recoverable in more than one year.

14 Creditors: amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	145,532	128,329	116,458	124,660
Tax and social security costs	39,085	24,738	22,319	23,160
Other creditors	43,766	42,886	38,687	37,086
Bank loan	28,000	28,000	28,000	28,000
Accruals and deferred income	48,509	79,347	48,509	79,347
	304,892	303,300	253,973	292,253

15 Creditors: amounts falling due after more than one year

	2021	2020	2021	2020
	£	£	£	£
Bank Loan	168,000	196,000	168,000	196,000

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

16 Pension costs

The College is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2020 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2021	2020
	%	%
Discount rate	1.7	1.6
RPI inflation rate	3.5	3.1
CPI inflation rate	2.8	2.2
Rate of increase in pensionable earnings	2.8	2.2
Rate of increase in pension payments	2.3/3.3/5.0	2.1/3.0/5.0

The major categories of the Scheme's assets as a percentage of the total Scheme assets, were as follows:

	31 August 2021	31 August 2020
	%	%
Equities	44	52
Corporate bonds	5	5
Property	8	9
Cash	9	9
Liability driven investment	30	20
Annuities	4	5

The following amounts at 31 August 2021 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	95.1
Present value of scheme liabilities	96.4
Net Defined Benefit Liability	(1.3)

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

16 Pension costs (continued)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the College is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the College. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. The College would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on that date.

A full actuarial valuation of the Scheme was carried out at 1 September 2017 by the Scheme Actuary. The valuation disclosed a past service deficit of £3.5m. It was agreed that the shortfall revealed at 1 September 2017 should be eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £650,000 per annum each August, starting August 2018 up to and including August 2022; and
- Between £0 and £447,000 each December, starting December 2018 up to and including December 2022. The precise amount payable will be determined by the Scheme Actuary having regard to Scheme experience.

The employers' share of the cost of providing future service benefits on 1 September 2017 amounted to 34.6% of Pensionable Earnings. This was higher than the employers' contribution rate of 24.1% of Pensionable Earnings that was paid up to 31 May 2019. However, this shortfall was incorporated into the Pension Reserve Fund core contributions and therefore employer contributions remained at 24.1% of Pensionable Earnings until 31 May 2019, when the Scheme closed to future accrual.

An update of the funding position as at 1 September 2019 was carried out by the Scheme Actuary. This showed that the past service deficit had increased from £3.5m to £8.8m.

A full actuarial valuation is currently being carried out as at 1 September 2020 and is due to be completed by 30 November 2021.

The College contributed to a defined contribution pension scheme on behalf of its employees. The employer contributions paid to the Scheme during the year totalled £53,724 (2020: £52,520).

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021

17 Permanent
Endowment
funds

Group and Charity

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2021 £
General	10,782	-	-	-	1,486	12,268
Library	3,539	-	-	-	(64)	3,475
Ministerial	11,936	-	-	-	(226)	11,710
Perpetuated subscriptions	3,319	-	-	-	(63)	3,256
Student fees	226,744	-	-	(35,000)	(1,964)	189,780
Student fees (3 rd party interest)	123,856	-	-	-	22,736	146,592
Student prizes	18,067	-	-	-	531	18,598
Trekkers	8,787	-	-	-	(166)	8,621
	<u>407,030</u>	<u>-</u>	<u>-</u>	<u>(35,000)</u>	<u>22,270</u>	<u>394,300</u>

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Investment gains/ (losses) £	Balance at 31 August 2020 £
General	10,929	-	-	-	(147)	10,782
Library	3,508	-	-	-	31	3,539
Ministerial	11,826	-	-	-	110	11,936
Perpetuated subscriptions	3,288	-	-	-	31	3,319
Student fees	255,042	-	(30,000)	-	1,702	226,744
Student fees (3 rd party interest)	126,080	-	-	-	(2,224)	123,856
Student prizes	18,035	-	-	-	32	18,067
Trekkers	8,706	-	-	-	81	8,787
	<u>437,414</u>	<u>-</u>	<u>(30,000)</u>	<u>-</u>	<u>(384)</u>	<u>407,030</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021

18 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes.

	Balance at 1 September 2020	Income	Expenditure	Transfers	Investment gains/ (losses)	Balance at 31 August 2021
	£	£	£	£	£	£
Global Partnership	56,699	113,500	(81,416)	-	-	88,783
Bursary Fund	28,722	-	(15,775)	35,000	(543)	47,404
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	29,631	-	-	-	-	29,631
Theology X Project	390,069	45,000	(131,636)	-	-	303,433
Evangelistic Funds	80,715	-	(35,000)	-	(2,790)	42,925
Other	21,798	-	-	-	-	21,798
	<u>641,850</u>	<u>158,500</u>	<u>(228,827)</u>	<u>35,000</u>	<u>(3,333)</u>	<u>568,190</u>

	Balance at 1 September 2019	Income	Expenditure	Transfers	Investment gains/ (losses)	Balance at 31 August 2020
	£	£	£	£	£	£
Global Partnership	62,513	115,929	(121,743)	-	-	56,699
Bursary Fund	55,486	-	-	(27,029)	265	28,722
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	37,111	8,060	(15,540)	-	-	29,631
Theology X Project	-	519,000	(102,086)	(26,845)	-	390,069
Evangelistic Funds	96,583	-	(45,000)	27,029	2,103	80,715
Other	21,597	-	-	-	201	21,798
	<u>307,506</u>	<u>642,989</u>	<u>(284,369)</u>	<u>(26,845)</u>	<u>2,569</u>	<u>641,850</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

18 Restricted funds

Global Partnership receives funding from the Methodist Church to arrange mission trips to developing countries.

The **Bursary Fund** exists to provide support to students who need help paying for their course fees.

The **Welfare Fund** exists to provide support to students who are in general financial difficulties. Disbursements are made according to need.

The **World Mission Fund** support comprises funds provided by the Methodist Church to enable engagement with the global church in patterns of mutual engagement and enrichment.

The **Story Project** is a national partnership involving the Methodist Church's Evangelism and Growth Team, Cliff College and the Regional Learning Network. Its aim is to give people both the platform and confidence to share their story.

The **Theology X** project comprises funds provided by the Methodist Church to aid the development of an online learning platform, Theology X.

Evangelistic Funds exist to encourage and enable Christian outreach through training, support and missional activity.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions placed upon it.

Transfer between funds in the included the transfer permanent endowment funds to restricted Bursary fund to fund student bursaries and the transfer from the Evangelistic Fund to unrestricted funds to contribute to the funding of the Cliff year programme.

19 Restatement of comparatives

The prior year figures within the SoFA and Balance Sheet have been restated to reflect the reclassification of investment properties within tangible fixed assets and to include investment properties and land and buildings at market value at 31 August 2020. The effect of the restatement has been to increase the carrying value of the properties in the balance sheet and unrestricted fund balance at 31 August 2020 by £2,641,733.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

2021	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total 2021 £
Charity				
Tangible fixed assets	10,672,934	-	-	10,672,934
Investments	68,079	149,200	277,123	494,402
Net current assets	60,292	418,990	117,177	596,459
Creditor greater than one year	(168,000)	-	-	(168,000)
	<u>10,633,305</u>	<u>568,190</u>	<u>394,300</u>	<u>11,595,795</u>
Cliff College Outreach Ltd				
Net current assets	(78,635)	-	-	(78,635)
Group	<u>10,554,670</u>	<u>568,190</u>	<u>394,300</u>	<u>11,517,160</u>
				As restated
2020	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £
Charity				
Tangible fixed assets	10,160,082	-	-	10,160,082
Investments	69,390	187,534	289,853	546,777
Net current assets	482,234	454,316	117,177	1,053,727
Creditor greater than one year	(196,000)	-	-	(196,000)
	<u>10,515,706</u>	<u>641,850</u>	<u>407,030</u>	<u>11,564,586</u>
Cliff College Outreach Ltd				
Net current assets	(170,413)	-	-	(170,413)
Group	<u>10,345,293</u>	<u>641,850</u>	<u>407,030</u>	<u>11,394,173</u>

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2021**

21 Reconciliation of net (expenditure)/income to net cash flow from operating activities	Group	
	2021 £	2020 £
Net (expenditure)/ income for the year	(413,286)	143,219
Interest receivable	(2,326)	(7,050)
Interest payable	6,302	7,113
(Gains) on investment	(17,625)	(2,825)
Depreciation on tangible fixed assets	59,771	155,257
Decrease (Increase) in debtors	160,187	(480,565)
Increase in creditors	1,592	16,180
Net cash flow from operating activities	(205,385)	(168,671)

22 Operating lease commitments

At 31 August 2021 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2021 £	2020 £
Within one year	800	800
Within two to five years	267	1,067
Total	1,067	1,867

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2021

23 Related parties

Cliff College has a subsidiary company, Cliff College Outreach Limited. Cliff College Outreach Limited is a company limited by guarantee whose members are made up of the Cliff College Committee.

Cliff College Outreach Limited was set up in 1988 in order to serve the College in the building of the Broadbelt and Eagles buildings and to act as the vehicle carrying out the trading activities of the charity as provider of conference accommodation to third parties during times when the buildings were not being used by the College for housing students.

The activities of Cliff College Outreach Limited are in line with the policies and strategies of Cliff College, and indeed occupy the same premises and complement the overall charitable activities and financial strength of the charity.

Details of the subsidiary company's assets at 31 August 2021 and results for the year then ended are as follows:

	Cliff College Outreach Ltd £
Turnover	244,978
Cost of sales	(27,936)
Gross profit	217,042
Administrative expenses	(154,014)
Other operating income	28,750
Profit for the year	91,778
Debtors	89,425
Cash at bank and in hand	34,631
	124,056
Creditors	(202,691)
Net liabilities	(78,635)

CLIFF COLLEGE

England & Wales - Charity number 529386

Accounts

CHARITY REGISTRATION NUMBER 529386

CLIFF COLLEGE
CONSOLIDATED ACCOUNTS
YEAR ENDED 31 AUGUST 2020



CLIFF COLLEGE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Revd Loraine Mellor (Chair) Stephen Holliday (Vice-Chair) Revd Ashley Cooper (Principal) Revd Christine Dutton Ashley France Matthew Lee Joan Ryan Revd Paul Smith Revd Roger Walton
Charity number	529386
Principal address	Cliff College Calver Hope Valley Derbyshire S32 3XG
Auditors	Hawsons Chartered Accountants Statutory Auditor Pegasus House 463a Glossop Road Sheffield S10 2QD
Bankers	HSBC Belgravia Branch The Peak 333 Vauxhall Bridge Road London SW1V 1EJ
Solicitors	Graysons Solicitors Courtwood House Silver Street Head Sheffield S1 2DD

CLIFF COLLEGE

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CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The managing trustees present their report and accounts for the year ending 31 August 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing document, applicable law and the requirements of Accounting and Reporting by Charities: Statement of Recommended Practice.

Structure, governance and management

The charity is governed by two charitable trust deeds, one dated 1903 and a second dated 1930. The managing trustees who served during the year were:

Revd Loraine Mellor (Chair)
Stephen Holliday (Vice-Chair)
Revd Ashley Cooper (Principal)
Revd Christine Dutton
Ashley France
Matthew Lee
Revd Paul Smith
Joan Ryan
Revd Dr Roger Walton

The College Committee is appointed by the Methodist Council. In the appointment of managing trustees to serve on the Committee, the Methodist Church seeks to employ the widest possible range of skills and expertise, and fully bears this in mind when inviting new managing trustees to take up their responsibilities. Each member of the College Committee oversees and supports a specific area of College life and, by doing so, enables an external influence to be brought into the College which has a significant beneficial effect on the work of the College. All new managing trustees are inducted in briefing meetings with the Principal and senior staff members.

Appointments to the College Committee are for an initial period of three years, with the option to extend for up to a further three years. Thereafter, a member may serve for a further year if the nomination is supported by 75% of the members present at a meeting to consider the nomination.

The ultimate responsibility for the College lies with Methodist Conference and, as the College is part of the wider Methodist Church, it is governed by Methodist Church standing orders and the decisions made annually by the Methodist Conference. The Trusteeship is held by the Methodist Council which appoints the Cliff College Committee to govern the College.

The strategic direction of the charity is set by the College Committee which then delegates the day-to-day running of the College to the College's Executive Committee (an internal management group consisting of the Principal, Revd Ashley Cooper; the Academic Director, Dr Richard Saunders-Hindley; the Global and Learning Innovation Director, Revd Andrew Harper and the Operations Director, Paul Taylor). The College Committee Chair and Vice-Chair receive the minutes of the Executive Committee meetings and attend meetings when appropriate. The Executive Committee reports to the College Committee at each of its meetings.

The College Committee also receives regular reports from the Board of Directors of Cliff College Outreach Limited, the commercial trading arm of the College.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities

The College's vision is 'to be a beacon of excellence for training in mission and evangelism, serving the church, especially in the UK but also internationally'.

In living out this vision, the College recognises its commitment to the Methodist Church and its heritage in the Wesleyan family; it exists to train people in mission and evangelism, which aims to impact all sections of the church and serve the widest possible constituency. These are achieved through:

- a range of validated courses and programmes with mission and evangelism at their core
- short courses and Summer Schools to serve the needs of lay people in the church
- evangelists to act as a catalyst for mission and evangelism in the church
- an annual Festival to deliver a vibrant programme for all ages
- the Cliff Year to provide young people with a year of vocational exploration
- the conference centre to provide accommodation for individuals and groups
- Global partnerships to support lay and ordained training across the globe

Cliff College exists for the charitable purposes of the advancement of education and of the advancement of religion. All other charitable activities undertaken by the College are to further the attainment of its vision. The trustees have paid due regard to the guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Risk factors

The managing trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks. A risk register is maintained by the Executive Committee and the register is reviewed and approved by the Cliff College Committee on an annual basis.

The most serious risks to Cliff College's survival and development are identified as:

- Impact of the coronavirus pandemic on the College
- insufficient student numbers leading to a loss in income
- changes in Government legislation and/or the policies of our partners

These risks have been managed in a variety of ways:

The College closed on 20 March 2020, due to coronavirus, following government advice and the introduction of a national lockdown. This impacted the College in a number of ways:

- Courses were able to be moved online, using the learning platform that the College had been developing, enabling students to continue with their programmes of studies.
- Conference centre bookings were cancelled, and the College successfully diversified with the provision of bed and breakfast accommodation in the summer.
- Cliff Festival on-site was cancelled and replaced by an online Festival.
- Staff, for whom this was possible, were supported to work from home whilst those with roles based at Cliff were moved onto furlough.
- The College took full advantage of grants and other financial packages available from the government.
- A financial appeal was made to the Cliff supporters which brought a significant cash injection.

In terms of student recruitment the new College website was launched in the spring providing much clearer and concise course information, and has provided good links to the College's growing social media presence. Recruitment processes were moved online with the development of new strategies, through the website, including virtual open days. A number of online courses were developed, at both short course and MA levels, and further work is being undertaken to increase the range of courses available. The College was recertified to participate in the US Federal Direct loan programme with the first full-time American students now in their second year at the College.

The College remains up to date with government policy and maintains good relationships with the Office for Students, with extra meetings scheduled during the pandemic to ensure the College remains in a strong position. The College also maintains strong relationships with its partners, meeting regularly and ensuring that each other's expectations are fully understood. The College has its five yearly revalidation with the University of Manchester in the spring of 2021 and preparations are underway for that process.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance

The College runs taught academic programmes at both undergraduate and postgraduate levels, as well as supervising research programmes. All of the College's academic programmes are validated by the University of Manchester, a Russell Group university, which unconditionally revalidated the College for five years from 1 January 2016 with the next revalidation process having been moved to the spring of 2021.

Undergraduate programmes include:

- Certificate, Diploma and Honours degree programmes in Theology and Ministry
- Certificate, Diploma and Honours degree programmes in Mission and Ministry

Postgraduate programmes include:

- Postgraduate Certificate, Diploma and Masters degree programmes in Mission, with specialist pathways including:
 - Biblical Theology and Mission
 - Children's and Youth Mission
 - Christian Mentoring
 - Disability, Theology and Mission
 - Leadership, Mission and Renewal
 - Literature, Theology and Culture
 - Mission and Evangelism
 - Mission and Global Justice
 - Mission and Islamic contexts
 - Pioneering Ministries/Fresh Expressions
 - Spirituality and Mission
- PhD programme (research)
- PhD Missiology programme (professional doctorate)

The College's academic team continue to seek to develop and deliver our various courses in effective ways so that the educational and religious aims of the charity continue to be achieved. As part of its Christian heritage, and by provision being built into the learning objectives of accredited programmes, Cliff College students continue to engage in periods of placement and mission. For full-time students these placement experiences significantly increase their employability and a Year in Mission has been developed to enable this. The majority of part-time students remain active in their paid or voluntary church or community roles throughout their time of study at the College.

The College also maintains two research centres, providing annual lectures and research opportunities on two specific areas:

- The Samuel Chadwick Centre: focussing on gathering and disseminating the fruits of research in pneumatology with particular reference to the Wesleyan, Pentecostal and charismatic traditions.
- The Bible, Church and Gender Centre: focusing on biblical and practical gender studies and how these intersect and inform the lives of women and men in the contemporary church

Alongside these validated programmes the College offers a wide range of short courses for those in a variety of ministry roles throughout the church. This growing programme provides learning opportunities for both those new to these roles and those looking for continuing development opportunities and is enhanced by Cliff Local, short courses delivered more locally to those attending, eg. In Devon.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Cliff Global Partnerships

The work of Global Partnerships team has continued to develop and focuses on three main areas:

- In country training: providing training and support for training, in partnership with local training centres, at a variety of levels to meet the local needs.
- Immersion trips: providing experiences of the global church to groups of individuals from the UK, including from Cliff College.
- Theology X: providing a learning platform that underpins in country training either via the internet or a 'Theo' intranet device.

The Global Partnerships team work in partnership with the Methodist Church Global Relationships team with developing relationships and partnerships with a number of British Methodist Church partners, including in Nigeria, Kenya, Korea, Sierra Leone and Uganda. Two other important relationships are with Perkins School of Theology, in Dallas, and the Methodist E Academy.

Library

The library is a valuable resource for students, not only for those attending internal courses but also for others who come to carry out their research activities. The move to online learning has led to a significant investment in the Digital Theology Library, to support the physical resources at Cliff. The archive section continues to grow in size and importance, attracting students wishing to explore Methodist history and heritage in detail; it is a part of one of the largest collections of Wesleyan material to be found throughout the world, located at sites connected to the University of Manchester.

Festival

The Cliff College 'Festival' is a major public event that the College holds each year over the second bank holiday weekend in May. Sadly, Festival was cancelled in 2020 and was replaced by Festival at Home, an online Festival that was supported by Methodist Church partners, the Methodist Church Learning Network and All We Can. Festival at Home was still able to provide a resource for church groups and individuals as well as being an important aspect of our student recruitment activity.

CCO (Cliff College Outreach Limited)

CCO is the trading arm of the College, providing a range of activities that support the charitable aims of the College. There are two specific areas of activity the CCO oversees:

- The Conference Centre provides high-quality facilities and modern accommodation options across the site to a wide range of customers. The closure of the College in March led to a number of cancellations but the diversification into online conferences and bed and breakfast continued to provide income.
- Theology X Commercial provides space on the online learning platform to a range of other organisations, both in the UK and across the globe.

Profits from CCO are donated to the College under the Gift Aid scheme. The board of directors continues to actively monitor the financial context in CCO operates in order that appropriate and prompt action can be taken to respond to the external challenges.

Financial review

From a financial point of view, the College had a difficult year due to the coronavirus pandemic and the closure in March 2020. This impacted the financial performance in a number of ways:

- University of Manchester validated programmes were moved online and, in order to respond to this expectation, the College invested in both hardware and software to ensure a quality product was available.
- Short courses were cancelled from March 2020 and the spring and summer programme was lost. A number of short courses have been moved online and further investment was provided to meet this demand.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

- The Cliff Year, the College's gap year programme, completed its first year online with the majority of those involved moving on to further education including two joining undergraduate programmes at Cliff.
- The Conference Centre was not able to host any conferences from March and therefore lost the majority of its season. It was, however, able to diversify through the hosting of online conferences and providing bed and breakfast accommodation to the leisure market over the summer.
- The opportunity for the Global Partnership's team to travel was halted and other ways were found to support and enable the work of global partners, particularly through the use of online solutions.
- Property rentals remained strong but the College closure required a number of students in rental properties to leave early and therefore there was an overall reduction in income.
- In March the College undertook a financial modelling exercise and put a number of strategies in place to minimise the end of year deficit. These included:
 - the reduction of expenditure to that which was necessary to maintain the College and enable online learning
 - the development of online courses to develop new income streams
 - the maximisation of government grants and incentives and making full use of the furlough scheme
 - a financial appeal to the Cliff supporters which brought significant extra donations

Investment in IT systems and hardware was increased to meet the needs of online learning and significant expenditure was required to meet this need. This was funded through a legacy received during the year.

The College continues to make students aware of their financial responsibilities and to this end all new undergraduate students are provided with information and support in managing their personal finances. One-to-one 'finance' interviews are held with all residential students, in which they are made aware of the specific charges that they will be required to pay to the College for tuition fees and residential fees; a payment plan is then agreed upon. Most of these UK students are able access loans from the Student Loans Company to finance their studies. Throughout the year, student accounts are closely monitored in order to ensure the minimum of bad debts. Student loans are also available to postgraduate students and, whilst some of our Masters Programme students are funded by their employer, these loans are beneficial to those who are not.

In July 2019, the annual Methodist Conference, the governance body of the Methodist Church, agreed a budget which included financial support for the College covering the next three years. Whilst budgets beyond this period have not yet been approved, there are no plans to deviate from this on-going financial support. During the year, the College received income of £2,802,216 (2019: £2,141,727) and had expenditure of £2,661,823 (2019: £2,538,207) which after gains of £2,826 resulted in a net increase in reserves of £143,219.

Investments

Supporters of the College, over many years, have donated substantial sums of money by way of gifts and legacies and, as reported earlier, provided significantly increased support during this year. The outcome of this generosity is that many investments have been made to provide an income, some for the specific benefit of the students and some to provide general income for the College. Most of the funds are invested through either the Trustees for Methodist Church Purposes (TMCP) or the Central Finance Board of the Methodist Church (CFB), and are therefore subject to the Methodist Church's ethical investment policy. Interest rates continue at the low levels experienced in previous years but the College is still committed to moving its investments, where possible, into higher yielding funds without compromising its commitment to a low risk investment strategy as befits a charity.

CLIFF COLLEGE

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

Arrangements for setting the remuneration of key management personnel

The salaries of key management personnel are set by the trustees, with reference to recommended ministerial stipend set by the Methodist Church for ordained staff, with other salary levels set alongside those offered in the theological college sector (for teaching staff), and general salary levels (for non-teaching staff) with the Living Wage Foundation Living Wage as a benchmark.

Reserves policy

At the 31 August 2020 the College held total reserves of £8,752,440.

It is the policy of the College that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to between three and six month's expenditure. The level of free reserves at 31 August 2020 of £185,211 is not consistent with this policy. The managing trustees are aware that this is outside of the College's reserves policy but have agreed a strategy to restore reserves to an appropriate level. They therefore consider that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised.

Plans for the future

The Trustees have recognised that in order to secure the College's long term future several steps need to be taken. In the short term (6-9 months) this will be achieved by selling one of the residential properties owned by the College. This will provide sufficient financial resources for the College to function as well as partly replenishing the reserves. The College has also been taking advantage of all Government grant Schemes (furlough, rent relief, etc.) to ensure it navigates these turbulent times.

In the medium term the Trustees see diversity in income streams as an essential development and has developed 'Vision 21', a five year strategy, to implement these changes. Three key developments are central to this income diversification:

- enhancing the College's package of courses and programmes including a wide range of online learning options, building on the innovations made in the response to coronavirus
- making the College's learning platform more widely available to other users, to lease space for their own learning packages
- developing the site for leisure use at particular periods during the year, following a successful pilot in the summer of 2020

This will provide a firm financial foundation on which the College can build and move forward in the long term.



On behalf of the board of managing trustees,

Revd Ashley Cooper, Principal and Trustee

CLIFF COLLEGE

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE

Opinion

We have audited the financial statements of Cliff College (the 'charity') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Statement of Financial Activities, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 August 2020, and of its incoming resources and application of resources, 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 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.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. 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.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE (CONTINUED)

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

In the light of our knowledge and understanding of the group and the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which the 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; or
- sufficient accounting records have not been kept; 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 7, the trustees are responsible for the preparation of financial statements which 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

CLIFF COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF CLIFF COLLEGE (CONTINUED)

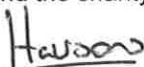
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.


Hawsons Chartered Accountants, Statutory Auditor
Pegasus House
463a Glossop Road
Sheffield
S10 2QD

29 March 2021

Hawsons Chartered Accountants is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

CLIFF COLLEGE

GROUP STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
		£	£	£	£	£
Income from:						
Donations and legacies	2	1,040,535	634,929	-	1,675,464	841,638
Charitable activities	3	693,391	8,060	-	701,451	871,458
Other trading activities	4	207,881	-	-	207,881	205,694
Investments	5	10,145	-	-	10,145	18,082
Other	6	207,275	-	-	207,275	204,855
Total income		<u>2,159,227</u>	<u>642,989</u>	<u>-</u>	<u>2,802,216</u>	<u>2,141,727</u>
Expenditure on:						
Raising funds		-	-	-	-	4,068
Charitable activities	7	1,834,724	284,369	30,000	2,149,093	1,920,193
Other		512,730	-	-	512,730	613,946
Total expenditure		<u>2,347,454</u>	<u>284,369</u>	<u>30,000</u>	<u>2,661,823</u>	<u>2,538,207</u>
Gains/(losses) on investments	13	<u>641</u>	<u>2,569</u>	<u>(384)</u>	<u>2,826</u>	<u>27,855</u>
Net (expenditure)/income		<u>(187,586)</u>	<u>361,189</u>	<u>(30,384)</u>	<u>143,219</u>	<u>(368,625)</u>
Transfer between funds		<u>26,845</u>	<u>(26,845)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>(160,741)</u>	<u>334,344</u>	<u>(30,384)</u>	<u>143,219</u>	<u>(368,625)</u>
Fund balances brought forward		<u>7,864,301</u>	<u>307,506</u>	<u>437,414</u>	<u>8,609,221</u>	<u>8,977,846</u>
Fund balances carried forward		<u>7,703,560</u>	<u>641,850</u>	<u>407,030</u>	<u>8,752,440</u>	<u>8,609,221</u>

CLIFF COLLEGE

**CHARITY STATEMENT OF FINANCIAL ACTIVITIES INCLUDING
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2020	Total 2019
		£	£	£	£	£
Income from:						
Donations and legacies	2	1,040,535	634,929	-	1,675,464	841,638
Charitable activities	3	693,391	8,060	-	701,451	871,458
Other trading activities	4	-	-	-	-	428
Investments	5	10,145	-	-	10,145	18,082
Other	6	265,275	-	-	265,275	229,855
Total income		2,009,346	642,989	-	2,652,335	1,961,461
Expenditure on:						
Raising funds		-	-	-	-	4,068
Charitable activities	7	1,834,724	284,369	30,000	2,149,093	1,920,193
Other		381,746	-	-	381,746	360,464
Total expenditure		2,216,470	284,369	30,000	2,530,839	2,284,725
Gains/(losses) on investments	13	641	2,569	(384)	2,826	27,855
Net (expenditure)/income		(206,483)	361,189	(30,384)	124,322	(295,409)
Transfer between funds		26,845	(26,845)	-	-	-
Net movement in funds		(179,638)	334,344	(30,384)	124,322	(295,409)
Fund balances brought forward		8,053,611	307,506	437,414	8,798,531	9,093,940
Fund balances carried forward		7,873,973	641,850	407,030	8,922,853	8,798,531

CLIFF COLLEGE

CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	7,518,349	7,626,617
Investments	13	546,777	618,951
		<u>8,065,126</u>	<u>8,245,568</u>
Current assets			
Debtors	14	728,169	247,604
Cash at bank and in hand		458,445	627,168
		<u>1,186,614</u>	<u>874,772</u>
Creditors: amounts falling due within one year	15	<u>(303,300)</u>	<u>(287,119)</u>
Net current assets		<u>883,314</u>	<u>587,653</u>
Total assets less current liabilities		<u>8,948,440</u>	<u>8,833,221</u>
Creditors: amounts falling due after more than one year	16	<u>(196,000)</u>	<u>(224,000)</u>
Net assets		<u>8,752,440</u>	<u>8,609,221</u>
Capital funds			
Endowment funds	18	407,030	437,414
Income funds			
Restricted funds	19	641,850	307,506
Unrestricted funds General	20	7,703,560	7,864,301
		<u>8,752,440</u>	<u>8,609,221</u>



The financial statements were approved and authorised for issue by the Board on... 21/08/21...
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee

CLIFF COLLEGE

CHARITY BALANCE SHEET
YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	-	-
Tangible assets	12	7,518,349	7,626,617
Investments	13	546,777	618,951
		<u>8,065,126</u>	<u>8,245,568</u>
Current assets			
Debtors	14	918,763	435,130
Cash at bank and in hand		427,217	585,184
		<u>1,345,980</u>	<u>1,020,314</u>
Creditors: amounts falling due within one year	15	<u>(292,253)</u>	<u>(243,351)</u>
Net currents assets		<u>1,053,727</u>	<u>776,963</u>
Total assets less current liabilities		<u>9,118,853</u>	<u>9,022,531</u>
Creditors: amounts falling due after more than one year	16	<u>(196,000)</u>	<u>(224,000)</u>
Net assets		<u>8,922,853</u>	<u>8,798,531</u>
Capital funds			
Endowment funds	18	407,030	437,414
Income funds			
Restricted funds	19	641,850	307,506
Unrestricted funds General	20	7,873,973	8,053,611
		<u>8,922,853</u>	<u>8,798,531</u>



The financial statements were approved and authorised for issue by the Board on 17/05/21.
Signed on behalf of the board of Trustees

Revd Ashley Cooper

Trustee

CLIFF COLLEGE**CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED 31 AUGUST 2020**

	Notes	2020 £	2019 £
Cash flow from operating activities	21	(168,671)	(239,221)
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(46,989)	(55,390)
Interest received		7,050	12,578
Interest paid		(7,113)	(7,905)
Net cash flow from investing activities		<u>(47,052)</u>	<u>(50,717)</u>
		(215,723)	(289,938)
Cash flow from financing activities			
Disinvestments		75,000	-
Bank loan repayments		(28,000)	(28,377)
Net cash flow from financing activities		47,000	(28,377)
Net (decrease) in cash and cash equivalents		(168,723)	(318,315)
Cash and cash equivalents at beginning of year		<u>627,168</u>	<u>945,483</u>
Cash and cash equivalents at end of year		<u>458,445</u>	<u>627,168</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Company information

Cliff College is a registered charity (no 529386). The principal address is Calver, Hope Valley, Derbyshire, S32 3XG.

1.1 Accounting convention

The charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011, the Companies Act 2006 and United Kingdom Generally Accepted Practice.

The financial statements consolidate the accounts of Cliff College and Cliff College Outreach Limited (a company limited by guarantee, registered company number 02331438).

The financial statements are prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value.

The financial statements are prepared in sterling, which is the main functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The current Covid-19 pandemic has given rise to an unexpected level of uncertainty for the charity. The charity has taken a number of actions to manage its cash flow. After due consideration of all relevant factors the charity's income and cash flow forecasts and projections indicate that the charity should be able to continue to operate for the foreseeable future.

The trustees therefore have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

1.2 Charitable funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

1.3 Income recognition

Grants are accounted for on a receivable basis.

For legacies, entitlement and recognition is the earlier of receipt of the legacy or where it is probable that it will be received.

Donations received towards student fee sponsorship may be deferred for use in later years. The disbursements from this fund vary according to student needs.

Incoming resources from endowment funds are unrestricted and are transferred to unrestricted funds at the end of the financial year.

Student fees invoiced in advance are treated as deferred income.

1.4 Expenditure recognition

Resources expended are recognised in the year in which the liability is incurred.

Costs of raising funds relate to the cost of bookshop stock, of providing conference facilities and other fundraising activities.

Expenditure relating to charitable activities includes all the costs, including support costs, relating to the running of the college as an educational institution.

Governance costs are those incurred in connection with administration of the charity and compliance with constitutional and statutory requirements.

1.5 Intangible fixed assets

Intangible fixed assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortisation and provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Computer software	33.3% straight line
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1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Buildings	Straight line over 100 years
Property refurbishment	Straight line over 15 years
Computer equipment	33.3% straight line
Fixtures, fittings and equipment	20% straight line
Motor vehicles	20% straight line
Land is not depreciated	

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

1.7 Investments

Investments are recognised initially at fair value, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in net gain/losses in the SOFA.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.9 Pensions

The pension costs charged in the accounts represent the contributions payable by the charity during the year.

The charity participates in a multi-employer defined benefit scheme, as the proportion attributable to the charity is not separately identifiable, the pension schemes are accounted for as defined contribution pension schemes in the accounts. Following the closure of the defined benefit pension scheme the charity contributed to a defined contribution pension scheme. Further details are included in note 17.

1.10 Cash and cash equivalents

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

1.11 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

1.12 Judgements and key sources of estimation uncertainties

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have based their estimate of the value of the land and buildings of the charity on a valuation completed by a professional valuer and on one prepared by the Estate Manager looking at similar properties in the location near to the charity's properties. The accuracy of these valuations could therefore have a material adjustment to the carrying amount of assets and liabilities.

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

2 Donations and legacies	Group and Charity			Total 2019 £
	Unrestricted Fund £	Restricted Fund £	Total 2020 £	
Donations and gifts	100,935	-	100,935	37,863
Legacies receivable	471,889	-	471,889	223,210
DMLN grant from the Methodist Church	377,489	-	377,489	378,252
Global Partnership income	-	115,929	115,929	110,531
Other grants	90,222	519,000	609,222	91,782
	<u>1,040,535</u>	<u>634,929</u>	<u>1,675,464</u>	<u>841,638</u>
For the year ended 31 August 2019	<u>619,325</u>	<u>222,313</u>		<u>841,638</u>
			2020 £	2019 £
Legacies receivable/(repaid)				
Unrestricted funds				
A Moden			252,000	-
D Ashworth			145,415	-
E Coggins			37,132	-
S Taylor			17,742	-
D Gammon			10,000	-
D Erdwin			6,100	-
S Drew			2,500	-
M Stoves			500	-
M Smaje			400	-
A Baxendale			100	-
K Connor			-	257
E Hopkins			-	(913)
M Porter			-	201,907
N Porter			-	5,628
E Blears			-	8,452
H Davis			-	5,000
D Baker			-	1,000
I Smith			-	1,000
E Spetch			-	479
B Haggis			-	400
			<u>471,889</u>	<u>223,210</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

3	Charitable activities	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Student fees and accommodation	691,581	716,102	691,581	716,102
	Festival Income	1,810	105,509	1,810	105,509
	Evangelism	8,060	49,847	8,060	49,847
		<u>701,451</u>	<u>871,458</u>	<u>701,451</u>	<u>871,458</u>
4	Other trading activities	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Conference income	<u>207,881</u>	<u>205,694</u>	<u>-</u>	<u>428</u>
5	Investment income	Group and Charity			
		Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
	Central Finance Board Funds	7,050	-	7,050	12,578
	Other investment income	<u>3,095</u>	<u>-</u>	<u>3,095</u>	<u>5,504</u>
		<u>10,145</u>	<u>-</u>	<u>10,145</u>	<u>18,082</u>
	For the year ended 31 August 2019	<u>18,082</u>	<u>-</u>		<u>18,082</u>
6	Other income	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Rental Income	82,037	183,756	165,037	203,756
	Other income	<u>125,238</u>	<u>21,099</u>	<u>100,238</u>	<u>26,099</u>
		<u>207,275</u>	<u>204,855</u>	<u>265,275</u>	<u>229,855</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

7 Charitable expenditure	Group and Charity				
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Staff costs	709,301	-	-	709,301	586,886
Methodist Church stipend costs	76,631	-	-	76,631	84,990
Student course costs	289,839	60,540	30,000	380,379	227,697
Festival costs	22,990	-	-	22,990	134,348
Global Partnership costs	-	121,743	-	121,743	127,147
Theology X Platform costs	-	102,086	-	102,086	26,845
Other	117,729	-	-	117,729	127,121
	<u>1,216,490</u>	<u>284,369</u>	<u>30,000</u>	<u>1,530,859</u>	<u>1,315,034</u>
Share of support costs (see note 8)	618,234	-	-	618,234	605,159
	<u>1,834,724</u>	<u>284,369</u>	<u>30,000</u>	<u>2,149,093</u>	<u>1,920,193</u>
For the year ended 31 August 2019	1,680,485	239,708	-		1,920,193

8 Allocation of support costs	Group and Charity		
	Charitable £	Other £	Total 2020 £
2020			
Governance	28,053	9,351	37,404
Finance	47,937	15,979	63,916
IT	80,425	26,808	107,233
Property costs	92,417	30,806	123,223
Depreciation	116,443	38,814	155,257
Office costs	75,986	25,329	101,315
Irrecoverable VAT	62,977	20,992	83,969
Other	113,996	29,332	143,328
	<u>618,234</u>	<u>197,411</u>	<u>815,645</u>
2019			
Governance	20,212	6,737	26,949
Finance	37,829	12,611	50,440
IT	72,058	24,019	96,077
Property costs	113,703	37,901	151,604
Depreciation	116,821	38,940	155,761
Office costs	40,162	13,387	53,549
Irrecoverable VAT	63,309	21,103	84,412
Other	141,065	47,022	188,087
	<u>605,159</u>	<u>201,720</u>	<u>806,879</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

Support costs have been allocated based on the relevant proportions of income.

Governance costs includes audit and accountancy fees for the year of £21,583 (2019: £10,800).

9 Trustees and key management remuneration

Cliff College is controlled by The Methodist Council, whose members are the Trustees of Cliff College and appoint the Cliff College Committee to serve as the governing body of the college.

The college considers its key management personnel to be its Executive Committee which comprise the Principal, the Academic Director, Operations Director, and Global and Learning Innovation Director. The total amount of benefits received by key management personnel is £183,148 (2019: £149,359).

Other than the Principal who is part of the Executive Committee, no other members of the Cliff Committee received any remuneration during the current or previous year. During the year six (2019: six) members of the Cliff College Committee were reimbursed a total of £901 (2019: £1,057) relating to travel expenses.

10 Employees

Number of employees	Group	
	2020 Number	2019 Number
College	42	33

Employment costs	Group	
	2020 £	2019 £
Wages and salaries	975,115	796,039
Social security costs	85,624	75,209
Other pension costs	52,520	48,144
Total staff costs	1,113,259	919,392

There are no employees whose annual emoluments were £60,000 or more

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020**

11 Intangible fixed assets	Group and Charity
	£
Cost	
At 1 September 2019	18,420
Disposals	<u>(18,420)</u>
At 31 August 2020	<u>-</u>
Amortisation	
At 1 September 2019	18,420
Eliminated on disposal	<u>(18,420)</u>
At 31 August 2020	<u>-</u>
Net book value	
At 31 August 2020	<u>-</u>
At 31 August 2019	<u>-</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

12 Tangible fixed assets

Group and Charity

	Land and Buildings	Plant and Machinery	Computer Equipment	Fixtures Fittings & Equipment	Motor Vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2019	8,780,405	15,104	284,715	432,934	19,700	9,532,858
Additions	-	-	36,564	10,425	-	46,989
At 31 August 2020	8,780,405	15,104	321,279	443,359	19,700	9,579,847
Depreciation						
At 1 September 2019	1,260,374	11,049	244,073	380,405	10,340	1,906,241
Charge for the year	87,037	3,554	32,521	31,677	468	155,257
At 31 August 2020	1,347,411	14,603	276,594	412,082	10,808	2,061,498
Net book value						
At 31 August 2020	7,432,994	501	44,685	31,277	8,892	7,518,349
At 31 August 2019	7,520,031	4,055	40,642	52,529	9,360	7,626,617

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020**

13	Fixed assets investments	Group and Charity		
		CFB Managed mixed fund £	CFB Managed fixed interest £	Total £
	Market value at 1 September 2019	138,450	480,501	618,951
	Disinvestments	-	(75,000)	(75,000)
	Change in value in the year	(2,442)	5,268	2,826
	Market value at 31 August 2020	136,008	410,769	546,777

The custodian trustees are the Trustees for the Methodist Connexional Funds (Registered) and the Trustees for Methodist Church Purposes. The market value of the investments has been provided by the Trustees for Methodist Church Purposes (TMCP).

14	Debtors	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Trade debtors	162,085	197,722	134,674	148,306
	Amounts owed by group undertakings	-	-	218,005	238,178
	Other debtors	508,057	8,979	508,057	8,979
	Prepayments and accrued income	58,027	40,903	58,027	39,667
		728,169	247,604	918,763	435,130

£203,500 of other debtors are receivable in greater than one year.

15	Creditors: amounts falling due within one year	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Trade creditors	128,329	165,226	124,660	138,689
	Tax and social security costs	24,738	30,338	23,160	22,377
	Other creditors	42,886	34,714	37,086	34,714
	Bank loan	28,000	28,000	28,000	28,000
	Accruals and deferred income	79,347	28,841	79,347	19,571
		303,300	287,119	292,253	243,351

16	Creditors: amounts falling due after more than one year	2020	2019	2020	2019
		£	£	£	£
	Bank Loan	196,000	224,000	196,000	224,000

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

17 Pension costs

The College is a participating employer of the Pension and Assurance Scheme for Lay Employees of the Methodist Church ("the Scheme"), a defined benefit scheme.

A valuation of the Scheme for the purposes of these disclosures was carried out at 31 August 2020 by an independent actuary. The major assumptions used by the actuary, together with those used in the previous year, were:-

	2020	2019
	%	%
Discount rate	1.6	1.8
RPI inflation rate	3.1	3.2
CPI inflation rate	2.2	2.2
Rate of increase in pensionable earnings	2.2	2.2
Rate of increase in pension payments	2.1/3.0/5.0	2.2/3.1/5.0

The major categories of the Scheme's assets as a percentage of the total Scheme assets, were as follows:

	31 August 2020	31 August 2019
	%	%
Equities	52	54
Corporate bonds	5	5
Property	9	7
Cash	9	9
Liability driven investment	20	20
Annuities	5	5

The following amounts at 31 August 2020 were measured in accordance with the requirements of FRS 102.

	£ million
Total market value of assets	81.5
Present value of scheme liabilities	95.4
Net Defined Benefit Liability	<u>(13.9)</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

17 Pension costs (continued)

The Scheme operated by the Methodist Church is a defined benefit scheme. However, the College is not the only participating employer in the Scheme and it is unable to determine its share of the underlying assets and liabilities on a consistent and reasonable basis. This is because contributions paid into the Scheme are not invested separately to those paid by other employers participating in the Scheme. As such no separate fund is identifiable in respect of the College. In order to determine a current fund for each participating employer it would be necessary to separately account for contributions, benefit payments and investment returns for each participating employer.

Under the terms of the Scheme, the assets and liabilities are pooled amongst the participating employers. If a participating employer were to cease to participate then that employer would be required to pay a debt to fully fund their share of the Scheme's liabilities. The College would not be liable for another employer's debt but has an option to assume responsibility under an apportionment arrangement.

The Scheme closed to new entrants and the future accrual of pensionable service with effect from 31 May 2019 and therefore regular employer contributions ceased on that date.

A full actuarial valuation of the Scheme was carried out at 1 September 2017 by the Scheme Actuary. The valuation disclosed a past service deficit of £3.5m. It was agreed that the shortfall revealed at 1 September 2017 should be eliminated by contributions to be paid from the Pension Reserve Fund of the Methodist Church to the Scheme as follows:

- £650,000 per annum each August, starting August 2018 up to and including August 2022; and
- Between £0 and £447,000 each December, starting December 2018 up to and including December 2022. The precise amount payable will be determined by the Scheme Actuary having regard to Scheme experience.

The employers' share of the cost of providing future service benefits on 1 September 2017 amounted to 34.6% of Pensionable Earnings. This was higher than the employers' contribution rate of 24.1% of Pensionable Earnings that was paid up to 31 May 2019. However, this shortfall was incorporated into the Pension Reserve Fund core contributions and therefore employer contributions remained at 24.1% of Pensionable Earnings until 31 May 2019, when the Scheme closed to future accrual.

An update of the funding position as at 1 September 2019 was carried out by the Scheme Actuary. This showed that the past service deficit had increased from £3.5m to £8.8m.

The next full actuarial valuation is due as at 1 September 2020.

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020**

17 Pension costs (continued)

The College contributed to a defined contribution pension scheme on behalf of its employees. The employer contributions paid to the Scheme during the year totalled £85,624 (2019: £58,188).

**18 Permanent
Endowment funds**

Group and Charity

	Balance at 1 September 2019 £	Income £	Expenditure £	Investment gains/ (losses) £	Balance at 31 August 2020 £
General	10,929	-	-	(147)	10,782
Library	3,508	-	-	31	3,539
Ministerial	11,826	-	-	110	11,936
Perpetuated subscriptions	3,288	-	-	31	3,319
Student fees	255,042	-	(30,000)	1,702	226,744
Student fees (3 rd party interest)	126,080	-	-	(2,224)	123,856
Student prizes	18,035	-	-	32	18,067
Trekkers	8,706	-	-	81	8,787
	<u>437,414</u>	<u>-</u>	<u>(30,000)</u>	<u>(384)</u>	<u>407,030</u>
	Balance at 1 September 2018 £	Income £	Expenditure £	Investment gains/ (losses) £	Balance at 31 August 2019 £
General	10,828	-	-	101	10,929
Library	3,327	-	-	181	3,508
Ministerial	11,182	-	-	644	11,826
Perpetuated subscriptions	3,109	-	-	179	3,288
Student fees	247,235	-	-	7,807	255,042
Student fees (3 rd party interest)	124,536	-	-	1,544	126,080
Student prizes	17,373	-	-	662	18,035
Trekkers	8,232	-	-	474	8,706
	<u>425,822</u>	<u>-</u>	<u>-</u>	<u>11,592</u>	<u>437,414</u>

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020**

19 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpected balances of donations and grants held on trust for specific purposes.

	Balance at 1 September 2019	Income	Expenditure	Transfers	Investment gains/ (losses)	Balance at 31 August 2020
	£	£	£	£	£	£
Global Partnership	62,513	115,929	(121,743)	-	-	56,699
Bursary Fund	55,486	-	-	(27,029)	265	28,722
Welfare Fund	27,845	-	-	-	-	27,845
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	37,111	8,060	(15,540)	-	-	29,631
Theology X Project	-	519,000	(102,086)	(26,845)	-	390,069
Evangelistic Funds	96,583	-	(45,000)	27,029	2,103	80,715
Other	21,597	-	-	-	201	21,798
	<u>307,506</u>	<u>642,989</u>	<u>(284,369)</u>	<u>(26,845)</u>	<u>2,569</u>	<u>641,850</u>

	Balance at 1 September 2018	Income	Expenditure	Transfers	Investment gains/ (losses)	Balance at 31 August 2019
	£	£	£	£	£	£
International Learning Centre	54,129	25,000	-	(79,129)	-	-
Global Partnership	-	110,531	(127,147)	79,129	-	62,513
Bursary Fund	71,876	-	(16,390)	-	-	55,486
Welfare Fund	27,845	-	-	-	-	27,845
Planned Preventative Maintenance	32,692	66,782	(66,782)	(32,692)	-	-
World Mission Fund support	6,371	-	-	-	-	6,371
The Story Project	-	46,500	(9,389)	-	-	37,111
Evangelistic Funds	84,063	-	-	-	12,520	96,583
Other	21,597	20,000	(20,000)	-	-	21,597
	<u>298,573</u>	<u>268,813</u>	<u>(239,708)</u>	<u>(32,692)</u>	<u>12,520</u>	<u>307,506</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

Global Partnership receives funding from the Methodist Church to arrange mission trips to developing countries.

The **Bursary Fund** exists to provide support to students who need help paying for their course fees.

The **Welfare Fund** exists to provide support to students who are in general financial difficulties. Disbursements are made according to need.

The **Planned Preventative Maintenance Fund** comprises funds provided by the Methodist Church to assist with repairs of the buildings

The **World Mission Fund** support comprises funds provided by the Methodist Church to enable engagement with the global church in patterns of mutual engagement and enrichment.

The **Story Project** is a national partnership involving the Methodist Church's Evangelism and Growth Team, Cliff College and the Regional Learning Network. It's aim is to give people both the platform and confidence to share their story.

The **Theology X** project comprises funds provided by the Methodist Church to aid the development of an online learning platform, Theology X.

Evangelistic Funds exist to encourage and enable Christian outreach through training, support and missional activity.

Sufficient resources are held in an appropriate form to enable each fund to be applied in accordance with any restrictions placed upon it.

Transfer between funds include the transfer from restricted Bursary fund to the Evangelistic Fund after a full reconciliation of investments highlighted a discrepancy with their opening balances together with a transfer of surplus funds arising from the termination of the International Learning Centre following the establishment of the Global Partnership department.

CLIFF COLLEGE

**NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020**

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds £	Endowment funds £	Total 2020 £
Charity				
Tangible fixed assets	7,518,349	-	-	7,518,349
Investments	69,390	187,534	289,853	546,777
Net current assets	482,234	454,316	117,177	1,053,727
Creditor greater than one year	(196,000)	-	-	(196,000)
	<u>7,873,973</u>	<u>641,850</u>	<u>407,030</u>	<u>8,922,853</u>
Cliff College Outreach Ltd				
Net current assets	(170,413)	-	-	(170,413)
Group	<u>7,703,560</u>	<u>641,850</u>	<u>407,030</u>	<u>8,752,440</u>

Analysis of net assets between funds continued

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Charity				
Intangible fixed assets				
Tangible fixed assets	7,626,617	-	-	7,626,617
Investments	68,751	229,964	320,236	618,951
Net current assets	582,243	77,542	117,178	776,963
Creditor greater than one year	(224,000)	-	-	(224,000)
	<u>8,053,611</u>	<u>307,506</u>	<u>437,414</u>	<u>8,798,531</u>
Cliff College Outreach Ltd				
Net current assets	(189,310)	-	-	(189,310)
Group	<u>7,864,301</u>	<u>307,506</u>	<u>437,414</u>	<u>8,609,221</u>

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

21	Reconciliation of net (expenditure) to net cash flow from operating activities	Group	
		2020 £	2019 £
	Net income/(expenditure) for the year	143,219	(368,625)
	Interest receivable	(7,050)	(12,578)
	Interest payable	7,113	7,905
	(Gains) on investment	(2,825)	(27,856)
	Depreciation on tangible fixed assets	155,257	151,877
	Amortisation of intangible fixed assets	-	4,625
	(Increase) in debtors	(480,565)	(28,663)
	Increase in creditors	16,180	34,094
	Net cash flow from operating activities	(168,671)	(239,221)

22 Operating lease commitments

At 31 August 2020 the charity has had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows.

	Group	
	2020 £	2019 £
Within one year	800	3,709
Within two to five years	1,067	1,867
Total	1,867	5,576

CLIFF COLLEGE

NOTES TO THE CONSOLIDATED ACCOUNTS (CONTINUED) YEAR ENDED 31 AUGUST 2020

23 Related parties

Cliff College has a subsidiary company, Cliff College Outreach Limited. Cliff College Outreach Limited is a company limited by guarantee whose members are made up of the Cliff College Committee.

Cliff College Outreach Limited was set up in 1988 in order to serve the College in the building of the Broadbelt and Eagles buildings and to act as the vehicle carrying out the trading activities of the charity as provider of conference accommodation to third parties during times when the buildings were not being used by the College for housing students.

The activities of Cliff College Outreach Limited are in line with the policies and strategies of Cliff College, and indeed occupy the same premises and complement the overall charitable activities and financial strength of the charity.

Details of the subsidiary company's assets at 31 August 2020 and results for the year then ended are as follows:

	Cliff College Outreach Ltd
	£
Turnover	207,881
Cost of sales	(60,676)
Gross profit	147,205
Administrative expenses	(153,308)
Other operating income	25,000
Profit for the year	18,897
Debtors	27,411
Cash at bank and in hand	31,228
	58,639
Creditors	(229,052)
Net liabilities	(170,413)