

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.

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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.

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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.

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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)

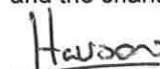
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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		<u>512,730</u>	<u>-</u>	<u>-</u>	<u>512,730</u>	<u>613,946</u>
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...
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		(47,052)	(50,717)
		(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		627,168	945,483
Cash and cash equivalents at end of year		458,445	627,168

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
-------------------	---------------------

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

	Unrestricted Fund £	Group and Charity Restricted Fund £	Total 2020 £	Total 2019 £
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	<u>1,680,485</u>	<u>239,708</u>	<u>-</u>		<u>1,920,193</u>

8 Allocation of support costs

	Group and Charity		Total 2020 £
	Charitable £	Other £	
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

	Group	
	2020	2019
Number of employees	Number	Number
College	42	33
	Group	
	2020	2019
Employment costs	£	£
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

(18,420)

At 31 August 2020

-

Amortisation

At 1 September 2019

18,420

Eliminated on disposal

(18,420)

At 31 August 2020

-

Net book value

At 31 August 2020

-

At 31 August 2019

-

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	(13.9)

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 an 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)