

CHARITY REGISTRATION NUMBER: 526675

Nazarene Theological College
Financial Statements
30 June 2019

ALEXANDER BURSK LIMITED

Accountants & statutory auditor

Parkgates
Bury New Road
Prestwich
Manchester
Lancashire
M25 0JW

Nazarene Theological College

Financial Statements

Year ended 30 June 2019

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Nazarene Theological College

Trustees' Annual Report

Year ended 30 June 2019

The Board of Governors presents its report and audited financial statements from 1st July 2018 to 30th June 2019.

Reference and Administrative Details

Names of the charity trustees who manage the charity

	Trustee name	Office (if any)	Dates acted if not for whole year	Name of person (or body) entitled to appoint trustee (if any)
1	Revd David Montgomery	Governing executive member	Ended March 23 rd 2019	The District Superintendents of the British Isles North District and British Isles South District, are ex-officio by virtue of office.
2	Revd Carl McCann	Governing executive member	Elected March 23 rd 2019	The District Superintendents of the British Isles North District and British Isles South District, are ex-officio by virtue of office.
3	Rev. Jim Ritchie	Governing executive member	Re-elected March 23 rd 2019	The District Superintendents of the British Isles North District and British Isles South District, are ex-officio by virtue of office.
4	Mr. Andrew Graystone	Chair (appointed May 2017)		Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
5	Mr. Steve Leach	Secretary & chair of HR and campus management sub committee	National Board election January 2019-2022	Per constitution the National Board ratified the Governor election.
6	Mrs Mary Wood			Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
7	Revd Lynn McLean-Birkinshaw			Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
8	Mr. Ian Burleigh	Vice Chair (appointed May 2017)	National Board election January 2019-2022	Per constitution the National Board ratified the Governor election.
9	Mr. Chris Ross			Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
10	Rev. Nicole McConkey		Resigned June 2019	Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
11	Rev. Ruth Turner		Appointed June 2019	Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years. After a resignation the District Assembly of the relevant district appoints an interim Governor to serve until the next assembly.
12	Mr. David Davies			Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
13	Rev. Karl Stanfield		National Board election January 2019-2020	Per constitution the National Board ratified the Governor election.
14	Mr. David Day		National Board election January 2019-2021	Per constitution the National Board ratified the Governor election.
15	Rev. Nathan Payne			Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
	OUTGOING			
	Revd Claire Fender		Appointed March 2017 for one year term. Ended March 2018.	

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Charity name Nazarene Theological College

Charity Registration Number 526675

Principal Office Dene Road
Didsbury
Manchester
M20 2GU

Board of Governors

The Chairman and Vice Chairman are elected by the Governors every four years and were elected to serve in those positions in May 2017.

Names of trustees holding title to property belonging to the charity:

Mr. Andrew Graystone (Chair May 2017-present)
Mr. Steve Leach (Secretary appointed May 2017-present)
Mr. Ian Burleigh (Vice Chair May 2017-present)

The college does not have any funds held as custodian trustees on behalf of others.

Principal staff

Principal	Revd Dr Deirdre Brower Latz
Vice Principal	Dr Kent Brower (ended service June 30 th 2019)
Vice Principal and Academic Dean	Dr Peter Rae (appointed Vice Principal July 1 st 2019)
Operations Director	Ms Pauline McKendrick (from September 2018)
Finance Manager	Mrs Sheila Strong (resigned August 2018)
Finance Supervisor	Mrs. Simona Stanfield (appointed September 1 st 2018)
Finance Consultant	Mr Andrew Hollingworth (appointed May 2018)
Human Resources and Operations	Mrs Debra Green (retired January 2019)

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Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Registered Office

NTC
Dene Road
Didsbury
Manchester
M20 2GU

Website: www.nazarene.ac.uk

Auditors

Alexander Bursk Limited
Parkgates, Bury New Road
Prestwich
Manchester
M25 0JW

Bankers

Barclays Bank PLC
1st Floor
3 Hardman Street
Spinningfield
Manchester
M3 3HF

Solicitors

Last Cawthra Feather LLP
128 Sunbridge Road
Bradford
West Yorkshire

Solicitors *appointed July 2019

Anthony Collins Solicitors
134 Edmund St,
Birmingham B3 2ES

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Our Objectives and Activities

Purposes and aims

Our charity's purposes are set out in the objects of the charity which are to foster, promote and maintain theological higher education in harmony with the Manual of the Church of the Nazarene, as interpreted by the General Assembly of the Church of the Nazarene in session from time to time.

The aims of our charity will include, but not be limited to,

- a) Operating as an institution within the Higher Education sector in the United Kingdom but as an integral part of the Church of the Nazarene, the College shall serve the UK and global Nazarene community as well as the wider Christian community.
- b) Providing the church's philosophical and theological framework which at all times is rooted in the biblical and doctrinal commitments to the Wesleyan tradition and accountable to the stated mission of the denomination.
- c) Guiding all those who participate in its life by accepting, nurturing and expressing in service to the church and the world a consistent and coherent Christian understanding of social and individual behaviour.
- d) Providing a curriculum quality of instruction and evidence of scholarly achievement that will prepare graduates at both undergraduate and postgraduate levels to function effectively in the various vocations of Christian discipleship and ministry.

Activities

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the organisation's aims and purposes.

The Officers of the College have consolidated much of the work of the last years, including review of the Vision document for 2020-2030. The annual monitoring and evaluation of the current strategy occurs on a regular basis and a full report is given to the Governors on the progress being made towards the fulfilment of the targets established.

The Governors of the College consider that the College's aims, objectives and activities as described herein demonstrate proof of public benefit in the advancement of religion and in the advancement of education. Within its core operations the College offers a non-discriminatory policy across all areas providing people adhere to, and do nothing to tarnish, the name of the College and its ethos and mission.

In addition, through the work of the ancillary services additional public benefit is served. These include, but are not limited to,

- a) Providing access to the College's library facilities to external memberships
- b) Providing access to the resources and library of *the Manchester Wesley Research Centre* which is housed within the College's facilities
- c) Providing access to the resources and library of the *Manchester Centre for the Study of Christianity and Islam* which is housed within the College's facilities
- d) Providing access to the resources and library of the Manchester based arm of the *Movement for Justice and Reconciliation*.
- e) Providing access to the College's facilities for use by local organisations, other

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

- f) educational bodies, churches, public open days and through participation in local and national community events.
- g) Assisting students as and when practicable and necessary through a policy of bursary aid in order to meet their tuition and living costs.
- h) Training and supporting the development of good practices in a range of community and church based settings.

Achievements and performance: The focus of our work

The key areas of focus of the College personnel and Governors continue to include the following:

- a) The agreement of, and the implementation of the Strategic objectives of the College which are centred upon the following areas:
 - Identification of the Foundation on which the College is built
 - Institutional Identity over the period of the Review
 - Academic Development
 - Partnership and Collaborative Development
 - Administrative Development
 - Finance and Fundraising
 - Faculty Development
 - Publicity and Recruitment
 - An emphasis on regulation has become increasingly embedded in the strategic direction.
- b) The registration of the College with the UK Borders Agency as a Tier 4 sponsor for students from outside the European Economic Area has been maintained.
- c) The appointment of key personnel in administrative areas to ensure the smooth running of, and high level of professionalism.
- d) The development of new and alternative means of delivering education to on-campus lectures.
- e) The development of access to learning for those unable to attend in person through digital and off-site means.
- f) The continuation of a long-standing programme of campus development to continually seek ways to improve the learning experience of both resident and non-resident students.
- g) The development of fundraising programmes to secure funding for the future, these to include Legacy giving, Library support and funds for Campus development.
- h) To further develop video conferencing and online learning.
- i) To further develop identified off site Learning Centres in partnership with denominational partners to deliver services more widely.
- j) To actively promote the College in all areas and to seek to recruit students at both undergraduate and postgraduate levels.
- k) To work with those people from the global South to identify key people who would otherwise be excluded from Higher education.
- l) To continue to attract and explicitly support students from non-traditional backgrounds and enable them to thrive in learning.
- m) The emergence of the Access and Participation Plan through the Office for Students has been embedded in proactive continued engagement with supporting people from low participation neighbourhoods and minority ethnic backgrounds.

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Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Academic Achievements and Performance

The College is a partner college of the University of Manchester and its awards, from the Diploma to the PhD, are validated through The University of Manchester. The validation of NTC through the University of Manchester continues to bear fruit in a positive relationship of mutual respect. This connection to and with the University is valued and nurtured by the College and is esteemed highly by its students. The relationship gives strength to the ongoing strategic goal of the College to offer academic excellence across its programmes.

The College received a Silver Award from the Teaching excellence framework, one of only a few colleges of our type to do so.

The College received registration with the Office for Students and approval of its Access and Participation plan.

The College runs taught academic programmes at both undergraduate and postgraduate levels; it also supervises Research Degree programmes. Courses commence with a one-year certificate course and continue through to the PhD programme. The range of courses now offered is as follows:

Undergraduate

Certificate, Diploma, Bachelor of Arts Degree and Honours Bachelor of Arts Degree in Theology.

Certificate, Diploma, Bachelor of Arts Degree and Honours Bachelor of Arts Degree in Theology, Youth Work and Ministry.

Bachelor of Arts Degree in Theology, Youth Work and Community.

Certificate, Diploma, Bachelor of Arts Degree and Honours of Arts Bachelor Degree in Practical Theology.

Postgraduate

Post Graduate Certificate, Diploma and Master of Arts Degree in Theology:

Post Graduate Certificate, Diploma and Master of Arts degree in Theology with streams in:

- Christian Holiness
- Mission Studies
- Research Methods
- Wesley Studies
- Biblical Studies
- Christianity and Islam
- Urban Mission
- Theology and Community Justice
- Humanitarian Development and Relief
- Global Missions
- Transforming Leadership

Research degrees at both MPhil and the PhD level (including the Practice-based PhD) are individually pursued by students and supervised by the College, the current level of students on research programmes is 44.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

UK

The regional learning centre arrangements have taken place and through evaluation we continue to offer off-site learning Pool (Cornwall) and Preston (Lancashire).

The partnership with the *Scottish School of Christian Mission [SSCM]* having ceased created a number of realities for the college to manage. The College decided to continue to invest in Glasgow to enable an NTC Glasgow Learning Centre to remain in Scotland for the time-being, in January of 2019 it was agreed to cease recruitment to the Undergraduate programmes delivered from the Glasgow base. This Centre continues to fulfil our obligations to all students enrolled in NTC under the partnership agreement until their programmes are completed. The College continues to actively recruit to the Masters programmes in Scotland. Through this engagement, the College is fulfilling its strategic vision of supporting and resourcing local churches as well as offering quality programmes of Higher Education to a range of new markets.

The impact of the centre on the College has been in two areas: an increase in costs related to staffing and facilities and an increase in active travel between the locations for teaching, team engagement, support of the core educational enterprise and facilitated placement management in Scotland.

Because the College assessed the risk of maintaining and developing this Centre, we determined that the impact would be negative were we to continue with the existing model. The college planned actively for this, and from June 30th 2020 the rental agreements will cease. We are in the process of developing a management plan for the effects of this decision.

The *Manchester Wesley Research Centre* continues to thrive and its reputation continues to attract visiting scholars and partnerships with other Wesleyan institutions. The faculty lead who serves as Director of the MWRC (a centre housed within the College for research) has developed a range of conferences and opportunities for promotion of the centre. Dr. Bundy (based in Paris) and Dr. Snyder (based in Wilmore, Kentucky) continue to be ambassadors of the MWRC. Dr. Bundy, as a non-stipendiary director, has responsibility for fostering European connections. The MWRC hosted a range of seminars in relationship with Oxford Brookes, Durham University, Manchester University and Cliff College.

The *Manchester Centre for the Study of Christianity and Islam* continues to have its base of operations at the College. The College continues to benefit from the teaching and expertise of the Directors of this independent CIO. The College benefits from the Centre's extensive book holdings which are available to students and faculty. The MCSCI also recruited PhD students in the areas of specialisms of the lecturers.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

International

The engagement of the College in rich partnerships with global sister institutions is a significant part of our development. We continue to hold key roles on denominational boards. Current considerations throughout the 2018-19 period developed teaching partnerships with stakeholders in India and The Netherlands. Both of these are anticipating cohorts in the 2019-2020 year following approvals. The College works in close partnership with Kirke en Aktion in Frankfurt Germany and is enhancing partnerships with Institutions for faculty development purposes across Europe and the Commonwealth of Independent States and Ukraine. Within the time frame there has also been an increasing emphasis on developing faculty for South Asian areas. Led by Dr. Mi Ja Wi there are proposals being developed for pathways that would service this area educationally.

We are working with a partner institution (Asbury Seminary) in the USA to develop an MA in Global Planting and Mission (tbd), which is going through approvals for delivery in the future.

The College continued to proactively develop study abroad students and our Study Abroad Partners have seen a steady intake of 3-4 students per semester from the USA/Canada area.

Because the college status was recognised by the Office for Students, Post graduate students from overseas can now access funding. This enhances the possibility of provision.

Non-Academic/Student Support Achievements and Performance

The College sent its Chaplain on a Mental Health First Aid qualification course and this investment continues to support increased student need.

The campus development sought planning permission to extend the disability access for students. This was rejected and new plans are underway.

The College successfully completed a number of data capture pieces of work, including: Higher Education Funding Council (HEFCE), Higher education in Alternative Providers Early Statistic Survey (HEAPES), Office for Student Information (OSI), and Destination of Leavers from Higher Education (DLHE) and the USA Veterans Affairs audit. Additionally, the college applied for approval of its Access and Participation Plan.

The College invested in a completely new student data and records system called 'GENesis'. The entire Academic office team undertook training for its implementation for the new academic year. This system also brought us into partnership with two other local HE providers, Cliff College and Luther King House. One of our team members is co-appointed to service the administration of this system, Mr. Robert Rae.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Benefits to Society

The range of ways we benefit wider society relate to heightening awareness of the role religion can play in advocating for good, bringing peace, reconciling across faith communities, and enabling people from faith backgrounds to develop their own understanding. With students from a range of backgrounds, we ensure also that our students, many employed in the third sector, charities and religious settings will impact wider society by enhanced understanding of the world and the way people think. Character formation, ethical principles, best practice for community development and ways of approaching the world that are respectful and thoughtful are also part of the intended outcomes of our work.

Globally our students take roles in leadership at a number of levels, from institutional leadership to engagement in government. At the grassroots they are people committed to seeing communities and individuals thrive.

Use of volunteers

The College is grateful to and indebted to, those members of our denomination who, in response to the needs identified, are able to offer themselves as volunteers to assist in non-academic areas of the College life. The Government changed the regulations for volunteers and the impact on the college means that some of our committed volunteers have had to leave the country. Because of the nature of volunteering, in turning their hands to any range of activity and supporting the work without taking jobs, this has had a negative impact.

During their period of volunteering, all volunteers operate to the guidance of the College's policies and procedures and are covered under the required Health and Safety regulations.

Grant making policy

The College takes the view that it will do whatever is in its power to assist students, particularly those from the majority world, in meeting the cost of their tuition and living expenses. Accordingly several scholarships have been established through donations to the College that qualifying students can benefit from. The Scholarship fund was enhanced this year by a restricted fund coming from the closure of the Scottish School for Christian Mission.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Financial review

The projections for the year ended 30th June 2019 were based both on the previous year's income and expenditure (year end 30th June 2018) and on careful consideration of anticipated strategic developments. In particular Governors requested Capital expenditure be included in the budget for the future.

The restricted funds held by the College for the purposes of Scholarships and Principal's Project have been drawn upon in accordance with policy and the intended purpose of the donations, and these transactions are reflected in the attached financial statements.

Audit Review

The Audit has been reviewed by Senior Leaders, Finance team and a Governor and questions were asked, and responded to.

Alexander Bursk appointed in 2015, help us continue to ensure we are robust in our financial management and practices.

In the course of 2018-19 the College appointed a consultant to mentor the new finance manager and support the transition of all finance systems for the purpose of improvement in practice, capture of data, management information and reporting.

In the course of 2018-19 the Governors were scrutinised by an external auditor who observed Governors meetings and offered robust feedback for improvement. This role is ongoing.

Investment Policy

In compliance with the Charity Commissioners' guidance "Charities and investment matters: a guide for trustees" (CC14 last updated on 1 October 2011) the College Governors have implemented an Investment Policy, the key issues addressed are:

- a) the need for enough resources for the charity to carry out its present and future activities effectively
- b) the level of acceptable risk and how to manage it, and
- c) the charity's stance on ethical investment

This policy is reviewed every two years by the finance sub-committee of Governors, however, any investment decision needing the approval of the finance sub-committee will in turn be referred to the full meeting of Trustees.

Reserves policy

It is the intention of the College Governors to continue a programme of securing a reserve of funds to provide a protection against any temporary downturn in student numbers. The level of reserves to be set aside for this purpose will be in accordance with the Reserves Policy and Governors will determine the amount to be so set aside to reach this target on an annual basis where possible.

Amount of reserves held: the unrestricted funds held in cash at bank and in hand amount to £623,711. Total reserves amounted to £2,568,315, of which £2,280,739 were unrestricted.

The Charity continues to operate as a going concern. The basis of this is stable student recruitment, the development of additional funding streams for students and the increase in donations. Our on-going validation with a world class university also makes us attractive for students and our impressive graduating class in research degree programmes enhances our reputation year on year. Additionally, the property portfolio has a value well in excess of the Balance Sheet valuation and this, should it be required, could be realised to more than cover any unforeseen liabilities.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Principal funding sources

The principal source of funding continues to be the income generated through tuition fees for students plus meeting their accommodation needs through Halls of Residence. A further valued source of funding continues to come from both the General Church of the Nazarene through an operations grant and also from churches in the UK who contribute through their annual budgets to the work of the College. Neither of the latter two sources are either restricted or designated funds.

Administrative Review

In relation to the community focus the College is working towards a series of events and conferences in relation to key areas of public interest, in particular alongside partner organisations. A series of events have been planned for 2019-2020.

We continue to work with an external marketing company.

We continue to create risk assessments related to the as yet unknown impact of Brexit and other Government actions on the life of the College. We also actively participate in government consultations on changes in the higher education authority to keep abreast of any external risk factors.

Core team members undertook training in 'PREVENT' over the course of the year and have managed and reported within the agreed terms of the Prevent agenda.

Plans for future periods

The College plans for the current period relate to ongoing management of the previously agreed strategic plan. This covers five primary areas identified in the implementation and review of the earlier strategic review. These are identified as a) Academic excellence and research led learning, b) community focussed, c) missional partnerships, d) financial, human resource and operational sustainability and e) communication (including publicity, marketing and recruitment).

The College started a process of reviewing and developing its Vision Document for the ten years to 2030 which is a comprehensive and forward-thinking document to enable the College to continue to meet its aims and objectives. This vision documents focusses on how the College will develop, enhance its operations and grow to enable a sustainable future.

Academically the College is increasing our emphasis on recruiting into Masters level. The College is continuing developing its capacity for flexible and effective learning in a variety of on-line and off-site ways. The College is working with sister institutions to offer 'Maymester' opportunities of intercultural study. We are working to review our Undergraduate programming to ensure it continues to offer excellence and cutting edge theological thinking. The College is also working to develop and enhance our core faculty team. We are also enhancing our student learning support provision and chaplaincy/counselling services.

The college has consolidated its investment in a research and development project to develop a plan for pre-degree level learning and additional programmes.

The College is developing its physical plant in relation to the academic developments which are our core business.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

The **Academic Board** continues to explore:

- a) creative and alternative modes of delivery.
- b) partnerships with other Wesleyan institutions of Higher Education.
- c) course development relating to the needs of academic programming, training for ministry and theological benchmarks in the 21st Century.
- d) the implementation of strategic planning across all levels of academic life in the College.
- e) Active promotion of the College in all areas and the recruitment of students at both undergraduate and postgraduate levels from both within and outside the European Economic Area.
- f) Increasing the profile of the college nationally through the deployment of key staff members.

The **Administrative Council** continues to explore:

- a) seamless integration of all administrative functions.
- b) all departments of the College continuing to operate and improve in their efficiency
- c) streamlining processes and procedures.
- d) financial sustainability is a continued priority. In a climate of rising costs and political uncertainty, the College finances will be robustly considered in order to further ground the college on solid financial foundations.
- e) further development of publicity and recruitment in targeted ways.
- f) compliance with the Prevent Government agenda.
- g) training and enhancement of our staff team

Structure, governance and management

Governing document

The College is governed under a DECLARATION OF TRUST deed dated 25th June 1970 as amended 2nd February 1990 and again on the 1st February 1991 and the CONSTITUTION as approved by two thirds of the members present and voting at both the North and South District Assemblies of the Church of the Nazarene and as amended from time to time in accordance with the Constitution.

Recruitment and appointment of Governors

The Governors of the College are appointed by election at the Annual District Assemblies of the North and the South Districts of the Church of the Nazarene in the UK. A nomination committee currently proposes names of members of the denomination to the delegates to vote upon, there being an equal number of Governors appointed from each District. In addition to those appointed in this way, the two elected District Superintendents are appointed by virtue of their office as ex officio members of the Board of Governors, and, under the Constitution, up to four additional Governors can be appointed from outwith the denomination.

The appointment and code of operation of members of the Board of Governors is set out in full in the Constitution of the College.

Induction and training of trustees

All Governors are made aware of the ethos and mission of the College and participate in regular training programmes to increase their understanding of the role and also the issues affecting the work of the College. Governors are encouraged to access the Charity Commission website on a regular basis to download any and all relevant material and resources that will enhance their ability to fulfil their duties.

There is an Induction programme for newly elected Governors. The College invests in 'Governance' Magazine for all governors and has a Board Code of Practice for all who serve in this capacity. Each Governor has access to a dedicated and password protected Governance Moodle site (virtual learning platform).

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Organisational structure

The organisational structure of the College is constantly developing as it seeks to meet and fulfil its stated goals and aspirations. The principal point of governance in all matters continues to be the Board of Governors to which all senior staff report, the Principal, Vice Principal, Dean, and Operations Director.

In addition, there are two significant Boards through which all policies and proposals must pass in order to be presented to the Board of Governors, these are the Administrative Council and the Academic Board. The Academic Board approves all matters of an academic nature including new programmes, and the Administrative Council receive and approve all matters of a financial and administrative nature, in particular the approval of any proposed change to an existing policy or a new policy.

Below these Boards, a range of operational and reporting Boards meet including the Senior Leadership Team, which is composed of the Principal, Vice-Principal, Academic Dean, and Operations Director which reports to the above Board/Council, this is designed to assist the Principal in decision making.

A further committee which implements operational decisions and reviews the cash flow and budgets for the college is the Finance Meeting which meets monthly and is composed of the Finance Manager, Finance Assistant, Operations Director and the Principal. This meeting is minuted and minutes sent to the Administrative Council.

In addition, as with all such institutions, a range of other committees meet on a regular basis to deal with the day to day operations of the College and which make recommendations to or seek approval from the other bodies mentioned above. These committees include, but are not limited to Faculty, Publicity and Recruitment and Library, etc.

Risk management

The risk management strategy of the College is reviewed and a risk assessment completed by the Senior Leadership Team and reviewed by the Governors annually in their November meetings. There is a continual process of formulation and development in response to the changing circumstances that could impact upon the work of the College and its fulfilment of its ethos and mission.

The Board of Governors, in considering this important task, take direction from the on-going discussions of the College personnel, both internally and through their meetings with external advisers, and seeks to find ways to mitigate the impact of such risks through proactive planning and transferring of identified risks on an on-going basis.

Related parties

Any and all related parties are clearly identified in the notes to the Accounts.

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Trustees' Annual Report *(continued)*

Year ended 30 June 2019

Statement of Board of Governors' responsibilities

The Board of Governors is responsible for preparing the Board of Governors' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity law in England & Wales requires the Board of Governors to prepare Financial Statements for each financial year, which give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period. In preparing the accounts the Board of Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable it to ensure that the Financial Statements comply with the Charities Act 2011 and the provisions of the Constitution. They are also responsible for safeguarding the assets of the charity and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board of Governors, who are trustees for the purposes of charity law, who served during the year and up to the date of this report are set out on page 1.

Auditors

Alexander Bursk Limited were reappointed.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) and the *Charities Act 2011*.

Approved by the Board of Governors and signed on its behalf by:

..... Mr. Andrew Graystone (Chair)

..... Date

Nazarene Theological College

Independent Auditor's Report to the Members of Nazarene Theological College

Year ended 30 June 2019

Opinion

We have audited the financial statements of Nazarene Theological College (the 'charity') for the year ended 30 June 2019 which comprise the statement of financial activities, statement of financial position, statement of cash flows and the related notes, 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 FRS 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 charity's affairs as at 30 June 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Nazarene Theological College

Independent Auditor's Report to the Members of Nazarene Theological College (continued)

Year ended 30 June 2019

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of 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 Act 2011 requires us to report to you if, in our opinion:

- the information given in the trustees' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the 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.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Nazarene Theological College

Independent Auditor's Report to the Members of Nazarene Theological College (continued)

Year ended 30 June 2019

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 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 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 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 members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

B Fine (Senior Statutory Auditor)

For and on behalf of
Alexander Bursk Limited
Accountants & statutory auditor

Parkgates
Bury New Road
Prestwich
Manchester
Lancashire
M25 0JW

4 December 2019

The notes on pages 20 to 31 form part of these financial statements.

Nazarene Theological College

Statement of Financial Activities

Year ended 30 June 2019

	Note	Unrestricted funds £	2019 Restricted funds £	Total funds £	2018 Total funds £
Income and endowments					
Donations and legacies	4	125,079	152,917	277,996	171,527
Charitable activities	5	1,119,015	–	1,119,015	1,076,742
Investment income	6	3,000	720	3,720	4,329
Other income	7	122,770	–	122,770	139,550
Total income		<u>1,369,864</u>	<u>153,637</u>	<u>1,523,501</u>	<u>1,392,148</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	1,092	–	1,092	771
Expenditure on charitable activities	9,10	1,435,731	57,993	1,493,724	1,245,172
Total expenditure		<u>1,436,823</u>	<u>57,993</u>	<u>1,494,816</u>	<u>1,245,943</u>
Net losses on investments	12	(677)	–	(677)	(481)
Net income and net movement in funds		<u>(67,636)</u>	<u>95,644</u>	<u>28,008</u>	<u>145,724</u>
Reconciliation of funds					
Total funds brought forward		2,348,375	191,932	2,540,307	2,394,583
Total funds carried forward		<u>2,280,739</u>	<u>287,576</u>	<u>2,568,315</u>	<u>2,540,308</u>

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The notes on pages 20 to 31 form part of these financial statements.

Nazarene Theological College

Statement of Financial Position

30 June 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	18	2,007,474	1,943,421
Investments	19	<u>120,228</u>	<u>120,905</u>
		2,127,702	2,064,326
Current assets			
Debtors	20	160,399	142,223
Cash at bank and in hand		<u>623,711</u>	<u>622,184</u>
		784,110	764,407
Creditors: amounts falling due within one year	21	<u>139,945</u>	<u>169,871</u>
Net current assets		644,165	594,536
Total assets less current liabilities		2,771,867	2,658,862
Creditors: amounts falling due after more than one year	22	<u>203,552</u>	<u>118,555</u>
Net assets		<u>2,568,315</u>	<u>2,540,307</u>
Funds of the charity			
Restricted funds		287,576	191,932
Unrestricted funds		<u>2,280,739</u>	<u>2,348,375</u>
Total charity funds	24	<u>2,568,315</u>	<u>2,540,307</u>

These financial statements were approved by the board of trustees and authorised for issue on, and are signed on behalf of the board by:

Mr A Graystone
Trustee

The notes on pages 20 to 31 form part of these financial statements.

Nazarene Theological College

Statement of Cash Flows

Year ended 30 June 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income	28,008	145,724
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	30,700	28,944
Net losses on investments	677	481
Dividends, interest and rents from investments	(2,400)	(2,400)
Other interest receivable and similar income	(1,320)	(1,929)
Interest payable and similar charges	9,331	3,881
Accrued income	(4,177)	(1,490)
<i>Changes in:</i>		
Trade and other debtors	(18,176)	(33,725)
Trade and other creditors	(36,733)	53,428
Cash generated from operations	<u>5,910</u>	192,914
Interest paid	(9,331)	(3,881)
Interest received	<u>1,320</u>	1,929
Net cash (used in)/from operating activities	<u>(2,101)</u>	<u>190,962</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	2,400	2,400
Purchase of tangible assets	(94,753)	(115,531)
Net cash used in investing activities	<u>(92,353)</u>	<u>(113,131)</u>
Cash flows from financing activities		
Proceeds from borrowings	95,981	(11,024)
Net cash from/(used in) financing activities	<u>95,981</u>	<u>(11,024)</u>
Net increase in cash and cash equivalents	1,527	66,807
Cash and cash equivalents at beginning of year	622,184	555,377
Cash and cash equivalents at end of year	<u>623,711</u>	<u>622,184</u>

The notes on pages 20 to 31 form part of these financial statements.

Nazarene Theological College

Notes to the Financial Statements

Year ended 30 June 2019

1. General information

The charity is a public benefit entity and a registered charity in England and Wales and is unincorporated. The address of the principal office is Dene Road, Didsbury, Manchester, M20 2GU.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain investments measured at market value. The charity is a public benefit entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of financial activities.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of grants, donations and gifts and is included in full in the statement of financial activities when receivable. Grants are recognised when the charity becomes unconditionally entitled to the grant, unless the grant is related to performance and specific deliverables, when it is accounted for as the charity earns the right to consideration by its performance.

Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.

Investment income is included when receivable.

Incoming resources from fees, rents and trading activity are included in the period for which they are receivable or when earned.

Resources expended

Expenditure is recognised on an accruals basis when a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is included as part of the expenditure to which it relates:

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both the direct costs and support costs relating to such activities.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include its audit fees and costs linked to the strategic management of the charity.

Support costs include central functions and have been allocated entirely to charitable activities, which reflect the use of resources.

Bursaries payable

Bursaries payable are recognised in the year when an award has been approved by the trustees and communicated to the recipient. Where such bursaries have not yet been paid at the end of the year, they are included within current liabilities.

Operating lease agreements

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged under the Statement of Financial Activities on a straight line basis over the lease term.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Tangible assets

Fixed assets (excluding depreciation) are stated at cost less accumulated depreciation. Individual items costing less than £2,000 are not capitalised.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Land and buildings	-	1% straight line
Fixtures and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	33% reducing balance

Investments

Listed investments are measured at fair value with changes in fair value or gains or losses resulting from disposals being recognised within the statement of financial activities.

Investment property

Investment properties are initially recorded at cost, which includes purchase price and any directly attributable expenditure. They are revalued to their fair value at each reporting date and any changes in fair value are recognised in profit or loss. Prior to the introduction of FRS102, they were revalued at intervals of several years only.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the statement of financial activities, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

The charity contributes to defined contribution pension schemes on behalf of its employees. The assets of these schemes are entirely separate to those of the charity. The pension cost shown represents contributions payable by the charity on behalf of the employees, and it has no other liabilities to these schemes.

4. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donations	<u>125,079</u>	<u>152,917</u>	<u>277,996</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Donations			
Donations	<u>116,739</u>	<u>54,787</u>	<u>171,527</u>

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

5. Charitable activities

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Fees	998,089	998,089	945,039	945,039
Bookshop sales	1,215	1,215	1,118	1,118
Education services grants (KC)	51,820	51,820	50,675	50,675
District budgets	67,891	67,891	79,910	79,910
	<u>1,119,015</u>	<u>1,119,015</u>	<u>1,076,742</u>	<u>1,076,742</u>

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Income from investment properties	2,400	–	2,400
Bank interest receivable	465	720	1,185
Other investment income	135	–	135
	<u>3,000</u>	<u>720</u>	<u>3,720</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Income from investment properties	2,400	–	2,400
Bank interest receivable	1,639	183	1,822
Other investment income	107	–	107
	<u>4,146</u>	<u>183</u>	<u>4,329</u>

7. Other income

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Lettings and commissions	119,770	119,770	136,550	136,550
Employer's allowance	3,000	3,000	3,000	3,000
	<u>122,770</u>	<u>122,770</u>	<u>139,550</u>	<u>139,550</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Costs of generating income	1,092	1,092	771	771
	<u>1,092</u>	<u>1,092</u>	<u>771</u>	<u>771</u>

Nazarene Theological College

Notes to the Financial Statements (continued)

Year ended 30 June 2019

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Facilities costs	207,053	–	207,053
Education-related costs	811,123	57,980	869,103
Support costs	417,555	13	417,568
	<u>1,435,731</u>	<u>57,993</u>	<u>1,493,724</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Facilities costs	158,271	–	158,271
Education-related costs	685,560	16,798	702,359
Support costs	384,541	–	384,542
	<u>1,228,372</u>	<u>16,798</u>	<u>1,245,172</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2019 £	Total fund 2018 £
Facilities and support costs – administration	207,053	405,301	612,354	532,024
Education-related costs	869,103	–	869,103	702,359
Governance costs	–	12,267	12,267	10,789
	<u>1,076,156</u>	<u>417,568</u>	<u>1,493,724</u>	<u>1,245,172</u>

11. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2019 £	Total 2018 £
Staff costs	206,024	206,024	202,701
General office	57,334	57,334	52,535
Finance costs	16,119	16,119	9,795
Governance costs	12,265	12,265	10,789
Travel and accommodation	34,815	34,815	8,123
Publicity	41,358	41,358	44,893
Event costs	4,480	4,480	4,822
Depreciation	30,699	30,699	28,943
Professional costs and sundries	14,474	14,474	21,941
	<u>417,568</u>	<u>417,568</u>	<u>384,542</u>

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

12. Net losses on investments

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Gains/(losses) on other investment assets	(677)	(677)	(481)	(481)

13. Net income

Net income is stated after charging/(crediting):

	2019 £	2018 £
Depreciation of tangible fixed assets	30,700	28,944
Foreign exchange differences	9	1,327

Also included within expenditure are bursaries and scholarships of £63,024 (2018: £33,855), of which £56,409 (2018: £16,799) was paid from restricted funds, and operating lease payments of £13,783 (2018: £11,526).

14. Auditors' remuneration

	2019 £	2018 £
Fees payable for the audit of the financial statements	6,470	6,000
Fees payable to the charity's auditor and its associates for other services:		
Audit-related assurance services	2,850	2,832
Other assurance services	240	240
	3,090	3,072

15. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019 £	2018 £
Wages and salaries	767,951	665,040
Social security costs	55,355	48,461
Employer contributions to pension plans	35,714	35,354
	859,020	748,855

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

15. Staff costs *(continued)*

The average head count of employees during the year was 28 (2018: 26). The average number of full-time equivalent employees during the year is analysed as follows:

	2019 No.	2018 No.
Academic	11	8
Student support	3	3
Administration	6	7
Chaplaincy	1	1
Housekeeping	1	2
Library and archivist	1	1
Manchester Wesley Research Centre and postgraduate assistant	1	1
Maintenance	1	1
Publicity and recruitment	2	2
	<u>27</u>	<u>26</u>

No employee received employee benefits of more than £60,000 during the year (2018: Nil).

16. Trustee remuneration and expenses

Mr A Graystone, the vice chair, received remuneration of £1,650 (2018: £825), which was authorised as it was in his capacity as a visiting lecturer.

Rev Karl Stanfield, who is also a trustee, received remuneration of £100 (2018: £220), which was authorised as it was in his capacity as a visiting lecturer.

17. Transfers between funds

No transfers between funds were made during the year.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

18. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	User defined asset £	Total £
Cost						
At 1 Jul 2018	2,114,443	184,539	9,783	28,827	89,278	2,426,870
Additions	8,681	8,162	—	—	77,910	94,753
Transfers	167,188	—	—	—	(167,188)	—
At 30 Jun 2019	2,290,312	192,701	9,783	28,827	—	2,521,623
Depreciation						
At 1 Jul 2018	302,977	143,567	8,078	28,827	—	483,449
Charge for the year	22,904	7,370	426	—	—	30,700
At 30 Jun 2019	325,881	150,937	8,504	28,827	—	514,149
Carrying amount						
At 30 Jun 2019	1,964,431	41,764	1,279	—	—	2,007,474
At 30 Jun 2018	1,811,466	40,972	1,705	—	89,278	1,943,421

Capital commitments

	2019 £	2018 £
Contracted for but not provided for in the financial statements	—	77,059

19. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 July 2018	3,905	117,000	120,905
Additions	—	—	—
Fair value movements	(677)	—	(677)
At 30 June 2019	3,228	117,000	120,228
Impairment			
At 1 July 2018 and 30 June 2019			—
Carrying amount			
At 30 June 2019	3,228	117,000	120,228
At 30 June 2018	3,905	117,000	120,905

All investments shown above are held at valuation.

Investment properties

The investment property was revalued on 8 September 2017 by Jigsaw Surveyors Limited. The trustees do not consider that the value will have changed materially between that date and the balance sheet date.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

19. Investments *(continued)*

Financial assets held at fair value

Investments in listed shares are stated at their market value at the balance sheet date.

20. Debtors

	2019	2018
	£	£
Trade debtors	137,732	122,854
Prepayments and accrued income	22,667	19,369
	<u>160,399</u>	<u>142,223</u>

21. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	13,536	10,940
Trade creditors	31,724	78,450
Accruals and deferred income	14,334	18,511
Social security and other taxes	13,710	11,885
Other creditors	8,991	603
Income received in advance	57,650	49,482
	<u>139,945</u>	<u>169,871</u>

22. Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Bank loans and overdrafts	<u>203,552</u>	<u>118,555</u>

The loans are secured by a first legal charge over the charity's property at Dene House, Didsbury, which is included in the accounts at a net book value of £1,964,431.

Included within creditors: amounts falling due after more than one year is an amount of £153,398 (2018: £62,908) in respect of liabilities payable or repayable by instalments which fall due for payment after more than five years from the reporting date.

Mortgage payments falling due after more than five years are due to be paid in instalments of £1,895 per month, including interest at the rate applicable at the time.

23. Pensions and other post retirement benefits

The amount recognised in expenditure as an expense in relation to defined contribution plans was £35,714 (2018: £35,435).

Pension costs are attributed to the activities in which those employees for whom they relate are engaged.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

24. Analysis of charitable funds

Unrestricted funds

	At 1 July 2018 £	Income £	Expenditure £	Gains and losses £	At 30 June 2019 £
Unrestricted funds	<u>2,348,375</u>	<u>1,369,864</u>	<u>(1,436,823)</u>	(677)	<u>2,280,739</u>

	At 1 July 2017 £	Income £	Expenditure £	Gains and losses £	At 30 June 2018 £
Unrestricted funds	<u>2,240,822</u>	<u>1,337,177</u>	<u>(1,229,143)</u>	(481)	<u>2,348,375</u>

Restricted funds

	At 1 July 2018 £	Income £	Expenditure £	Gains and losses £	At 30 June 2019 £
Student Scholarship Fund	126,115	49,060	(18,980)	–	156,195
Development Fund	65,817	15,207	(13)	–	81,011
Scottish School of Christian Mission Fund	–	89,370	(39,000)	–	50,370
	<u>191,932</u>	<u>153,637</u>	<u>(57,993)</u>	–	<u>287,576</u>

	At 1 July 2017 £	Income £	Expenditure £	Gains and losses £	At 30 June 2018 £
Student Scholarship Fund	102,708	40,205	(16,798)	–	126,115
Development Fund	51,052	14,765	–	–	65,817
Scottish School of Christian Mission Fund	–	–	–	–	–
	<u>153,760</u>	<u>54,970</u>	<u>(16,798)</u>	–	<u>191,932</u>

Restricted funds represent monies to be used for the following specific purposes:

The Student Scholarship Fund is made up of individual donations with specific instructions how the money should be used, according to the wishes of the individual donors.

The Development Fund represents donations made to the annual Principal's Project and expenditure relating thereto.

The Scottish School of Christian Mission Fund represents monies received from that institution when its work was incorporated into that of the Nazarene Theological College, to be used for student bursaries only.

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2019

25. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Tangible fixed assets	1,929,757	77,717	2,007,474
Investments	120,228	–	120,228
Current assets	529,943	254,167	784,110
Creditors less than 1 year	(95,637)	(44,308)	(139,945)
Creditors greater than 1 year	(203,552)	–	(203,552)
Net assets	<u>2,280,739</u>	<u>287,576</u>	<u>2,568,315</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	1,877,604	65,817	1,943,421
Investments	120,905	–	120,905
Current assets	638,292	126,115	764,407
Creditors less than 1 year	(169,871)	–	(169,871)
Creditors greater than 1 year	(118,555)	–	(118,555)
Net assets	<u>2,348,375</u>	<u>191,932</u>	<u>2,540,307</u>

26. Operating lease commitments

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2019 £	2018 £
Not later than 1 year	7,025	6,036
Later than 1 year and not later than 5 years	9,763	16,811
	<u>16,787</u>	<u>22,847</u>

27. Related parties

Unrestricted donations of £1,520 (2018: £11,500) were received from trustees during the year. Income of £67,891 was received from the Church of the Nazarene British Isles Northern and Southern Districts, of which Reverend C McCann, Reverend J Ritchie and Mr S Leach, who have been trustees of the Nazarene Theological College since 23 March 2019, are also trustees.

NAZARENE THEOLOGICAL COLLEGE

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2019

RESOURCES EXPENDED

	Cost of generating funds	Education	Facilities costs	Support costs	Governance	Total 2019	Total 2018
	£	£	£	£	£	£	£
Staff Costs	-	596,150	56,847	206,024	-	859,021	748,855
Premises	-	-	147,795	-	-	147,795	104,208
Administration	1,092	209,929	2,411	168,578	12,267	394,277	330,082
Bursaries	-	63,024	-	-	-	63,024	33,855
Depreciation	-	-	-	30,699	-	30,699	28,943
Total resources Expended	1,092	869,103	207,053	405,301	12,267	1,494,816	1,245,943
Total resources Expended 2018	771	702,359	158,271	373,753	10,789	1,245,943	