

CHARITY REGISTRATION NUMBER: 526675

**Nazarene Theological College**  
**Financial Statements**  
**30 June 2018**

**ALEXANDER BURSK LIMITED**

Accountants & statutory auditor

Parkgates  
Bury New Road  
Prestwich  
Manchester  
Lancashire  
M25 0JW

# Nazarene Theological College

## Financial Statements

Year ended 30 June 2018

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# Nazarene Theological College

## Trustees' Annual Report

Year ended 30 June 2018

The trustees present their report and the financial statements of the charity for the year ended 30 June 2018.

### Reference and administrative details

**Registered charity name** Nazarene Theological College

**Charity registration number** 526675

### Registered Office

NTC  
Dene Road  
Didsbury  
Manchester  
M20 2GU

Website: [www.nazarene.ac.uk](http://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  
1 St James Business Park  
New Augustus Street  
Bradford  
West Yorkshire  
BD1 5LL

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

### 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		The District Superintendents of the British Isles North District and British Isles South District, are ex-officio by virtue of office.
2 Rev. Jim Ritchie	Governing executive member		The District Superintendents of the British Isles North District and British Isles South District, are ex-officio by virtue of office.
3 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.
4 Mr. Steve Leach	Secretary & chair of HR and campus management sub committee		Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
5 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.
6 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.
7 Mr. Ian Burleigh	Vice 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.
8 Rev. Claire Fender		March 2017-March 2018	Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
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			Governors are elected in equal numbers by each District Assembly of the Church of the Nazarene and serve between one and four years.
11 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.
12 Rev. Karl Stanfield			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. 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.
<b>OUTGOING</b>			
Revd Claire Fender		Appointed March 2017 for one year term.	

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

### Board of Governors

The Chairman and Vice Chairman are elected by the Governors every four years and were elected in May 2017. Appropriate training is provided to all trustees.

#### **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
Academic Dean	Dr Peter Rae
Human Resources and Operations	Mrs Debi Green
Operations Director	Ms. Pauline McKendrick (from September 2018)
Finance Manager	Mrs Sheila Strong (resigned August 2018)
Finance Consultant	Mr. Andrew Hollingworth (appointed May 2018)

All personnel are remunerated in accordance with their responsibilities and experience.

### 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.

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

### 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 considering the next stages in crafting a 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 educational bodies, churches, public open days and through participation in local and national community events.
- f) Assisting students as and when practicable and necessary through a policy of grant aid in order to meet their tuition and living costs.

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

### **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

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 both student support and administrative areas to ensure the smooth running of, and high level of professionalism are evidenced in, both of these areas.

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 majority 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.

### **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 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.

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

Note: the course specifications for the Certificate, Diploma, Bachelor of Arts Degree and Honours Bachelor of Arts Degree in Theology, Youth Work and Ministry/Theology, Youth Work and Community were rewritten and approved. The awards in Youth Ministry/Youth Work continue to have validation through both the National Youth Agency of the Joint National Council award and Scottish Council for Learning and Development.

### **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 43.

### **UK**

The regional learning centre arrangements have taken place and are being evaluated and continue in Pool (Cornwall) and Preston (Lancashire). These have been well received and have brought in any number of students into the environs of the College.

The partnership with the Scottish School of Christian Mission (SSCM) has ceased. The College decided to continue to invest in Glasgow to enable an NTC Glasgow Learning Centre to remain in Scotland for the time-being. This Centre fulfils our obligations to students enrolled in NTC under the partnership agreement.

The College is now actively planning for investment, support and development of the Glasgow Learning Centre and this represents further engagement in Scotland, extending the College's influence and provision. Through this Centre, 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 College has assessed the risk of maintaining and developing this Centre, and have included a clear focus on promotion and recruitment. We are in the process of developing clear and considered key performance indicators for the ongoing operations and expansion of this Centre of learning.

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

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 and Dr. Snyder continue to be ambassadors of the MWRC. Dr. Bundy, as a non-stipendiary director, has responsibility for fostering European connections.

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.

### **International**

The review and considerations regarding ongoing partnership with institutions in South Asia to train and support faculty development through a Certificate, Diploma and MA have developed further throughout the year. This year has seen the completion of two projects with international reach, one based in South and Central America and the development of programmes in collaboration with both our European sister institution and other global partners.

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.

Dr. Joseph Wood has continued to proactively develop study abroad students.

### **Non-Academic/Student Support Achievements and Performance**

As part of the review of the student needs, the College determined to further invest in student support services. The College increased the role of the Chaplain and increased the role of a mental health support worker to enhance its care for students. We also invested in key community bursaries to support student chaplaincy development, particularly looking at supporting mature and non-traditional students. Scholarship funds were identified to support emerging theologians from black and Asian minority ethnic communities since this was identified as a gap in Higher Education provision in the UK.

The campus development project commissioned the building of the café extension and the building work, planning permissions, and the initial phase of buildings were undertaken.

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. And the College was successfully evaluated by the Quality Assurance Agency (QAA).

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

### **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. These include maintenance work, housekeeping assistance, general clerical work, cooking and a range of support roles.

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.

### **Financial review**

The projections for the year ended 30th June 2019 have been based both on the previous year's income and expenditure (year end 30th June 2018) and on careful consideration of anticipated strategic developments.

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.

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

Year ended 30 June 2018

### **Audit Review**

The Audit from the year 2016-17 was reviewed by the Governors 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 2017-18 the College appointed an internal auditor to review all systems and processes. The initial focus was the area of financial management and improving and supporting systems. This is on-going with plans to continue into the summer of 2019.

In the course of 2017-18 the Governors were scrutinised by an external auditor who observed Governors meetings and offered robust feedback for improvement. This role is ongoing and will support the development of Governors into 2019.

### **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.

Funds held, detailed on page 18, show total reserves of £2,540,308, of which £2,348,375 are restricted.

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 regular 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.

### **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

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

### Year ended 30 June 2018

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**

Over the last year capacity has been enhanced by extending the Academic office for the coming year this will be further consolidated and a key member of staff has been appointed to support the development of new student software.

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 (e.g. Who let the Dads Out?, Visible Truth, YouthWork magazine, Wesleyan-Holiness Connection). A series of events have been planned for 2018-19.

We continue to work with an external marketing company.

We have created a series of 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.

In the course of 2018-2019, the college will invest 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. In 2018-2019 the completion of the extension including public toilets and greater community space will be done. A further project for disabled access will be undertaken in 2018-2019.

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.

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

### Year ended 30 June 2018

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.

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.
- 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).

#### **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, Director of Development and HR. In addition, there are two significant Boards through which all policies and

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

### Year ended 30 June 2018

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, Director of Development and HR 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 Administrative Executive which meets monthly and is composed of the Finance Manager, Finance Assistant, Director of Development and HR, Booking and Accommodation Manager 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.

#### **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

# Nazarene Theological College

## Trustees' Annual Report *(continued)*

### Year ended 30 June 2018

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)

20 December 2018

# Nazarene Theological College

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

Year ended 30 June 2018

### Opinion

We have audited the financial statements of Nazarene Theological College (the 'charity') for the year ended 30 June 2018 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 June 2018 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 2018

### 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 2018

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.

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

9 January 2019

# Nazarene Theological College

## Statement of Financial Activities

30 June 2018

	Note	Unrestricted funds £	2018 Restricted funds £	Total funds £	2017 Total funds £
<b>Income and endowments</b>					
Donations and legacies	4	116,739	54,787	171,527	170,981
Charitable activities	5	1,061,622	–	1,061,622	842,414
Investment income	6	4,146	183	4,329	4,893
Other income	7	154,670	–	154,670	154,687
<b>Total income</b>		<u>1,337,177</u>	<u>54,970</u>	<u>1,392,148</u>	<u>1,172,975</u>
<b>Expenditure</b>					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	771	–	771	1,048
Expenditure on charitable activities	9,10	1,228,372	16,798	1,245,172	1,050,843
<b>Total expenditure</b>		<u>1,229,143</u>	<u>16,798</u>	<u>1,245,943</u>	<u>1,051,891</u>
Net (losses)/gains on investments	12	481	–	481	(37,562)
<b>Net income and net movement in funds</b>		<u>107,553</u>	<u>38,172</u>	<u>145,724</u>	<u>158,646</u>
<b>Reconciliation of funds</b>					
Total funds brought forward as previously reported		2,240,822	153,761	2,394,583	2,432,743
Prior year adjustment		–	–	–	(196,806)
Total funds brought forward as restated		<u>2,240,822</u>	<u>153,761</u>	<u>2,394,583</u>	<u>2,235,937</u>
<b>Total funds carried forward</b>		<u>2,348,375</u>	<u>191,933</u>	<u>2,540,308</u>	<u>2,394,583</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 2018

		2018		2017
		£	£	£
<b>Fixed assets</b>				
Tangible fixed assets	18		1,943,421	1,856,834
Investments	19		<u>120,905</u>	<u>121,386</u>
			<b>2,064,326</b>	<b>1,978,220</b>
<b>Current assets</b>				
Debtors	20	142,223		108,498
Cash at bank and in hand		<u>622,184</u>		<u>555,377</u>
		<b>764,407</b>		<b>663,875</b>
<b>Creditors: amounts falling due within one year</b>	21	<u>169,871</u>		<u>116,533</u>
<b>Net current assets</b>			<b>594,536</b>	<b>547,342</b>
<b>Total assets less current liabilities</b>			<b>2,658,862</b>	<b>2,525,562</b>
<b>Creditors: amounts falling due after more than one year</b>	22		<u>118,555</u>	<u>130,979</u>
<b>Net assets</b>			<b>2,540,307</b>	<b>2,394,583</b>
<b>Funds of the charity</b>				
Restricted funds			<u>191,933</u>	153,761
Unrestricted funds			<u>2,348,375</u>	<u>2,240,822</u>
<b>Total charity funds</b>	24		<b>2,540,308</b>	<b>2,394,583</b>

These financial statements were approved by the board of trustees and authorised for issue on 1 December 2018, and are signed on behalf of the board by:

Mr Andrew 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 2018

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Net income	145,724	158,646
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	28,944	25,457
Net (losses)/gains on investments	481	(37,562)
Dividends, interest and rents from investments	(2,400)	(2,400)
Other interest receivable and similar income	(1,929)	(2,493)
Interest payable and similar charges	3,881	6,316
Accrued (income)/expenses	(1,490)	2,367
<i>Changes in:</i>		
Trade and other debtors	(33,725)	13,931
Trade and other creditors	53,428	937
Cash generated from operations	192,914	165,199
Interest paid	(3,881)	(6,316)
Interest received	1,929	2,493
Net cash from operating activities	<u>190,962</u>	<u>161,376</u>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	2,400	2,400
Purchase of tangible assets	(115,531)	(5,615)
Net cash used in investing activities	<u>(113,131)</u>	<u>(3,215)</u>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	(11,024)	(9,092)
Net cash used in financing activities	<u>(11,024)</u>	<u>(9,092)</u>
<b>Net increase in cash and cash equivalents</b>	<b>66,807</b>	<b>149,069</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>555,377</b>	<b>406,308</b>
<b>Cash and cash equivalents at end of year</b>	<b><u>622,184</u></b>	<b><u>555,377</u></b>

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 2018

### 1. General information

The charity is 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 2018

#### 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 2018

#### 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

Assets under construction are not being depreciated as they were not yet in use at the balance sheet date.

##### **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 2018

#### 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 2018 £
<b>Donations</b>			
Donations	116,739	54,787	<b>171,527</b>
	<u>          </u>	<u>          </u>	<u>          </u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
<b>Donations</b>			
Donations	100,337	70,643	170,981
	<u>          </u>	<u>          </u>	<u>          </u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

### 5. Charitable activities

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Fees	929,919	<b>929,919</b>	744,918	744,918
Bookshop sales	1,118	<b>1,118</b>	1,127	1,127
Education services grants (KC)	50,675	<b>50,675</b>	54,036	54,036
District budgets	79,910	<b>79,910</b>	42,333	42,333
	<u>1,061,622</u>	<u><b>1,061,622</b></u>	<u>842,414</u>	<u>842,414</u>

### 6. Investment income

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

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Income from investment properties	2,400	–	2,400
Bank interest receivable	2,242	176	2,417
Other investment income	76	–	76
	<u>4,718</u>	<u>176</u>	<u>4,893</u>

### 7. Other income

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Lettings and commissions	151,670	<b>151,670</b>	151,687	151,687
Employer's allowance	3,000	<b>3,000</b>	3,000	3,000
	<u>154,670</u>	<u><b>154,670</b></u>	<u>154,687</u>	<u>154,687</u>

### 8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Costs of generating income	<u>771</u>	<u><b>771</b></u>	<u>1,048</u>	<u>1,048</u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

### 9. Expenditure on charitable activities by fund type

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

  

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Facilities costs	170,828	500	171,327
Education-related costs	575,537	15,831	591,368
Support costs	288,147	–	288,148
	<u>1,034,512</u>	<u>16,331</u>	<u>1,050,843</u>

### 10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2018 £	Total fund 2017 £
Facilities and support costs – administration	158,271	373,753	<b>532,024</b>	450,597
Education-related costs	702,359	–	<b>702,359</b>	591,368
Governance costs	–	10,789	<b>10,789</b>	8,878
	<u>860,630</u>	<u>384,542</u>	<u><b>1,245,172</b></u>	<u>1,050,843</u>

### 11. Analysis of support costs

	Analysis of support costs activity 1 £	Total 2018 £	Total 2017 £
Staff costs	202,701	<b>202,701</b>	128,402
General office	52,535	<b>52,535</b>	46,235
Finance costs	9,795	<b>9,795</b>	14,052
Governance costs	10,789	<b>10,789</b>	8,876
Travel and accommodation	8,123	<b>8,123</b>	11,549
Publicity	44,893	<b>44,893</b>	23,256
Finance costs	4,822	<b>4,822</b>	5,993
Depreciation	28,943	<b>28,943</b>	25,457
Professional costs and sundries	21,941	<b>21,941</b>	24,328
	<u>384,542</u>	<u><b>384,542</b></u>	<u>288,148</u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

### 12. Net (losses)/gains on investments

	Unrestricted Funds £	Total Funds 2018 £	Unrestricted Funds £	Total Funds 2017 £
Gains/(losses) on other investment assets	(481)	<b>(481)</b>	37,562	37,562

### 13. Net income

Net income is stated after charging/(crediting):

	2018 £	2017 £
Depreciation of tangible fixed assets	<b>28,944</b>	25,457
Foreign exchange differences	<b>1,327</b>	2,165

Also included within expenditure are bursaries and scholarships of £33,855 (2017: £23,541), of which £16,798 (2017: £15,831) was paid from the restricted Student Scholarship Fund, and operating lease payments of £11,526 (2017: £12,387).

### 14. Auditors remuneration

	2018 £	2017 £
Fees payable for the audit of the financial statements	<b>6,000</b>	6,000
Fees payable to the charity's auditor and its associates for other services:		
Audit-related assurance services	<b>2,832</b>	2,280
Taxation advisory services	<b>240</b>	240
	<b>3,072</b>	2,520

### 15. Staff costs

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

	2018 £	2017 £
Wages and salaries	<b>665,040</b>	514,078
Social security costs	<b>48,461</b>	36,379
Employer contributions to pension plans	<b>35,354</b>	26,499
	<b>748,855</b>	576,956

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

### Year ended 30 June 2018

#### 15. Staff costs *(continued)*

The average head count of employees during the year was 25.7 (2017: 22.3). The average number of full-time equivalent employees during the year is analysed as follows:

	2018 No.	2017 No.
Academic	8.6	8.7
Student support	3.2	2.6
Administration	7.0	4.5
Chaplaincy	0.9	0.6
Housekeeping	2.0	1.4
Library	0.9	0.9
Manchester Wesley Research Centre	0.4	1.0
Manchester Wesley Research Centre postgraduate assistant	0.1	0.1
Maintenance	1.0	1.0
Publicity and recruitment	1.4	0.6
Manchester Centre for the Study of Christianity and Islam	0.0	0.8
Archivist	0.2	0.2
	<u>25.7</u>	<u>22.3</u>

No employee received employee benefits of more than £60,000 during the year (2017: Nil).

#### 16. Trustee remuneration and expenses

Mr A Graystone, the vice chair, received remuneration of £825 (2017: £825), which was authorised as it was in his capacity as a visiting lecturer. £11,500 in unrestricted donations from trustees was received during the year.

#### 17. Transfers between funds

No transfers between funds were made during the year.

#### 18. Tangible fixed assets

The £89,278 included within assets under construction relates to building work completed after the balance sheet date. No depreciation has been charged as the buildings were not brought into use until they were completed. The balance of the costs is shown in the capital commitments note.

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Assets under construction £	Total £
<b>Cost</b>						
At 1 Jul 2017	2,114,443	160,314	7,755	28,827	–	<b>2,311,339</b>
Additions	–	24,225	2,028	–	89,278	<b>115,531</b>
<b>At 30 Jun 2018</b>	<u>2,114,443</u>	<u>184,539</u>	<u>9,783</u>	<u>28,827</u>	<u>89,278</u>	<u><b>2,426,870</b></u>
<b>Depreciation</b>						
At 1 Jul 2017	281,833	136,336	7,509	28,827	–	<b>454,505</b>
Charge for the year	21,144	7,231	569	–	–	<b>28,944</b>
<b>At 30 Jun 2018</b>	<u>302,977</u>	<u>143,567</u>	<u>8,078</u>	<u>28,827</u>	<u>–</u>	<u><b>483,449</b></u>
<b>Carrying amount</b>						
<b>At 30 Jun 2018</b>	<u>1,811,466</u>	<u>40,972</u>	<u>1,705</u>	<u>–</u>	<u>89,278</u>	<u><b>1,943,421</b></u>
At 30 Jun 2017	<u>1,832,610</u>	<u>23,978</u>	<u>246</u>	<u>–</u>	<u>–</u>	<u>1,856,834</u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

### Year ended 30 June 2018

#### 18. Tangible fixed assets *(continued)*

##### Capital commitments

	2018 £	2017 £
Contracted for but not provided for in the financial statements	<u>77,059</u>	<u>–</u>

#### 19. Investments

	Listed investments £	Investment properties £	Total £
<b>Cost or valuation</b>			
At 1 July 2017	4,386	117,000	<b>121,386</b>
Additions	–	–	–
Fair value movements	(481)	–	<b>(481)</b>
<b>At 30 June 2018</b>	<u>3,905</u>	<u>117,000</u>	<u><b>120,905</b></u>
<b>Impairment</b>			
At 1 July 2017 and 30 June 2018			–
<b>Carrying amount</b>			
At 30 June 2018	<u>3,905</u>	<u>117,000</u>	<u><b>120,905</b></u>
At 30 June 2017	<u>4,386</u>	<u>117,000</u>	<u>121,386</u>

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.

##### Financial assets held at fair value

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

#### 20. Debtors

	2018 £	2017 £
Trade debtors	<b>122,854</b>	90,665
Prepayments and accrued income	<b>19,369</b>	17,833
	<u><b>142,223</b></u>	<u>108,498</u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

### 21. Creditors: amounts falling due within one year

	2018	2017
	£	£
Bank loans and overdrafts	10,940	10,143
Trade creditors	78,450	18,059
Accruals and deferred income	18,511	20,001
Social security and other taxes	11,885	11,113
Income received in advance	49,482	47,811
Other creditors	603	9,406
	<u>169,871</u>	<u>116,533</u>

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

	2018	2017
	£	£
Bank loans and overdrafts	<u>118,555</u>	<u>130,979</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 £1,811,466.

Included within creditors: amounts falling due after more than one year is an amount of £62,908 (2017: £73,454) 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 £1,270 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 £35,354 (2017: £26,741).

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

### 24. Analysis of charitable funds

#### Unrestricted funds

	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>	<u>(481)</u>	<u>2,348,375</u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

### Year ended 30 June 2018

#### 24. Analysis of charitable funds *(continued)*

##### Restricted funds

	At 1 July 2017 £	Income £	Expenditure £	Gains and losses £	At 30 June 2018 £
Student Scholarship Fund	102,709	40,205	(16,798)	–	<b>126,116</b>
Development Fund	51,052	14,765	–	–	<b>65,817</b>
	<u>153,761</u>	<u>54,970</u>	<u>(16,798)</u>	<u>–</u>	<u><b>191,933</b></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 donor.

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

#### 25. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Tangible fixed assets	1,877,604	65,817	<b>1,943,421</b>
Investments	120,905	–	<b>120,905</b>
Current assets	638,291	126,116	<b>764,407</b>
Creditors less than 1 year	(169,871)	–	<b>(169,871)</b>
Creditors greater than 1 year	(118,555)	–	<b>(118,555)</b>
<b>Net assets</b>	<u>2,348,374</u>	<u>191,933</u>	<u><b>2,540,307</b></u>

#### 26. Prior year adjustments

Prior to 1 July 2016, the charity had not depreciated its land and buildings as required by applicable laws and standards. Depreciation is now being charged at a rate of 1% per annum straight line. This change in accounting policy resulted in an adjustment to reserves of £196,806 as at 1 July 2016.

#### 27. Operating lease commitments

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

	2018 £	2017 £
Not later than 1 year	<b>6,036</b>	–
Later than 1 year and not later than 5 years	<b>16,811</b>	29,870
	<u><b>22,847</b></u>	<u>29,870</u>

# Nazarene Theological College

## Notes to the Financial Statements *(continued)*

Year ended 30 June 2018

### 28. Related parties

There were no related party transactions other than those disclosed within the note concerning trustees' remuneration.

# NAZARENE THEOLOGICAL COLLEGE

## NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2018

### RESOURCES EXPENDED

	Cost of generating funds	Education	Facilities costs	Support costs	Governance	<b>Total 2018</b>	Total 2017
	£	£	£	£	£	£	£
<b>Staff Costs</b>	-	494,492	51,662	202,701	-	<b>748,855</b>	576,955
<b>Premises</b>	-	-	104,208	-	-	<b>104,208</b>	124,299
<b>Administration</b>	771	174,012	2,401	142,109	10,789	<b>330,082</b>	301,639
<b>Bursaries</b>	-	33,855	-	-	-	<b>33,855</b>	23,541
<b>Depreciation</b>	-	-	-	28,943	-	<b>28,943</b>	25,457
<b>Total resources Expended</b>	<u>771</u>	<u>702,359</u>	<u>158,271</u>	<u>373,753</u>	<u>10,789</u>	<u><b>1,245,943</b></u>	<u>1,051,891</u>
<b>Total resources Expended 2017</b>	<u>1,048</u>	<u>591,368</u>	<u>171,327</u>	<u>279,271</u>	<u>8,877</u>	<u>1,051,891</u>	