

CHARITY REGISTRATION NUMBER: 526675

Nazarene Theological College
Financial Statements
30 June 2020

ALEXANDER BURSK LIMITED

Accountants & statutory auditor

Parkgates
Bury New Road
Prestwich
Manchester
Lancashire
M25 0JW

Nazarene Theological College

Financial Statements

Year ended 30 June 2020

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Nazarene Theological College

Trustees' Annual Report

Year ended 30 June 2020

The Board of Governors presents its report and audited financial statements from 1st July 2019 to 30th June 2020.

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 Carl McCann	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		Per constitution the National Board ratified the Governor election.
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.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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	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.
9	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.
10	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.
11	Rev. Karl Stanfield		National Board election January 2019-2020 Extended due to Covid-19	Per constitution the National Board ratified the Governor election.
12	Rev Phyllis Thompson		2019-2022	Co-option to the Board of Governors as per the constitution.
13	Mr. David Day		National Board election January 2019-2021	Per constitution the National Board ratified the Governor election.
14	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.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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 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.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

Principal staff

Principal	Revd Dr Deirdre Brower Latz
Vice Principal & Academic Dean	Dr Peter Rae (from July 1 st 2019)
Director of Research	Dr. Kent Brower
Director of Operations and personnel	Ms. Pauline McKendrick (from September 2018)
Finance Manager	Mrs. Simona Stanfield
Finance Consultant	Mr. Andrew Hollingworth (June 2019-June 30 th 2020)

Registered Office

Nazarene Theological College
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

Anthony Collins Solicitors
134 Edmund St,
Birmingham
B3 2ES

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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 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.

This year the activities of the College were significantly impacted by Covid-19, which will be reflected throughout the report. The Governors and Governing executive group were highly engaged in decision making and responses to Covid-19 throughout the period of March 2020 to year end and beyond.

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 2020

In the period of Covid 19, the access to the property of the College was immediately restricted. Enhanced risk assessments were carried out regularly. The College's public facing work moved to digital and online engagement and provision.

Achievements and performance: The focus of our work

The key areas of focus of the College personnel and Governors continue to include the following, which reflects past, present and future actions:

- a) Agreement and implementation of the Strategic objectives of the College centred upon key areas:
 - Identification of the Foundation on which the College is built
 - Institutional Identity
 - Academic Development
 - Partnership and Collaborative Development
 - Administrative Development
 - Finance and Fundraising
 - Faculty Development
 - Publicity and Recruitment
- b) On-going 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 and our sponsorship is carefully monitored.
- c) Participation in the Teaching Excellence Framework: The College received achieved a Silver award in the Teaching excellence framework from the National Student Survey.
- d) Key personnel appointed in both student support and administrative areas ensuring the smooth running of academic administration and high level of professionalism.
- e) Developing new and alternative means of delivering education.
- f) Enabling access to learning through digital and off-site means for those unable to attend classes in person.
- g) Continuing focus on campus development to improve the learning experience of both resident and non-resident students.
- h) Developing fundraising programmes to secure funding for the future, including Legacy giving, Library support and funds for Campus development.
- i) Accelerating video conferencing and online learning
- j) Investing in fibre optics and provision of WIFI
- k) Shifting towards 'Work from home' as necessary.
- l) Accessing Government provision during Covid-19:
 - a. furloughing a number of the staff and faculty, ensuring business as usual was cared for but also ensure finances were managed carefully.
 - b. Arranging a mortgage holiday for 3 months in agreement with Vernon building Society: this enabled the critical management of cash flow to be cared for.
- m) Learning Centres were developed in partnership with denominational partners enabling the College to deliver services more widely.
- n) Promoting the College in all areas and recruiting students at both undergraduate and postgraduate levels.
- o) Offering non-validated online in order to serve its constituents and develop its profile,
- p) Working with leaders from the majority South to identify key people who would otherwise be excluded from Higher education and establishing a scholarship to support such students.
- q) Continuing to attract and explicitly support students from non-traditional backgrounds and enable them to thrive in learning.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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. This year the College offered a nationally profiled conference in Disability and Theology in partnership with the University. We have also continued to develop supervisors in relation to good practice in partnership. Again in partnership with the UM our MCSCI has started an interfaith Scripture Reasoning group.

The College runs taught academic programmes at both undergraduate and postgraduate levels; it also supervises Research Degree programmes. Courses commence with a flexible 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.

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
- Environmental Theology and Resilient leadership have been developed and will be offered in the coming years.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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.

This year several students – during the Covid-19– passed their PhDs with A1, 2 and B1 categories. The College led the way for the University in this area. Because of the success of this, we will support further consideration of modes and methods of examinations.

UK

The regional learning centre arrangements were evaluated and continue in Preston (Lancashire) in relationship with the Free Methodists and day learning events with the Wesleyan Holiness denomination.

This year we wound up the Glasgow learning centre. We vacated the premises by June 30th having fulfilled the contractual obligations with Parkhead Housing Association and Glasgow-based students. Almost all of the students have been offered jobs in their placements, and some are moving towards MA study. The College has arranged a review of the partnership in order to record our learning. There is one student remaining on the programme of study and arrangements are in place for him to continue through online delivery and placement support as per the partnership arrangements.

The remaining library asset was gifted to the Scottish Baptist College based at the University of the West of Scotland. As soon as the University reopens the books will be transferred to it (they are currently in storage).

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, Dr Hammond, 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.

Throughout the Covid-19 period Dr. Peter Rae has worked with the Free Churches Theological College group and is developing a conference in relation to Theological Education and Covid-19. Dr. Deirdre Brower Latz has been drawn upon by the Association of Bible College Principals to offer insight into online learning and provision in response to the Covid-19 crisis.

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

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.

The development of study abroad students has continued though this year but due to Covid-19 all the enrolled students were evacuated to their homelands in March. The College has continued to be in touch with all study abroad partners in this period of time.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

Non-Academic/Student Support Achievements and Performance

As part of the review of the student needs, the College continued to support student support services. Hurllet Hall and Beech Wing, our accommodation, had a number of students remain onsite acting as a household bubble throughout the Covid-19 period. The students immediately engaged with the local community and served as a support for housebound and isolating individuals by providing shopping, pharmacy runs, and general phone support.

The College supported the Chaplain to complete a course in Mental Health First Aid which he was then able to train others in and he has offered online Mental Health training. We continued to invest in key community bursaries to support student chaplaincy developments. Scholarship funds have continued to identify emerging theologians from black and Asian minority ethnic communities since this was identified as a gap in Higher Education provision in the UK. We have also worked towards training and development in antiracist practice, partly in response to the Black Lives Matter movement.

The campus development project was paused because of a slow response by Manchester City Council regarding planning permissions. We are keeping this under review.

The roof of the College is a matter of concern. We have had a review of the roof and an estimate was provided of £189, 000.00 (without scaffolding).

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), Destination of Leavers from Higher Education (DLHE), National Student Survey, PREVENT, UK Border agency sponsorship regulation, and the USA Veterans Affairs audit. The College has continued to manage its regulatory framework well.

The College has also invested in Sage systems for HR and completed various transitions in the finance office to ensure compliance and efficiency. Simona Stanfield and Li Jen Huang were mentored throughout the year by Mr. Andrew Hollingworth, a consultant who was a finance manager with a great deal of experience in reviewing and auditing systems.

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. In the last year, several of our Graduates have been employed in other University or Church leadership roles.

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, library support and a range of other 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.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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 scholarships are restricted and treated as such in the accounts.

Financial review

The college's finances were impacted significantly by Covid-19. The pandemic triggered immediate responses of salary pay cuts, freezes and scenario planning for the short, medium and long term. The regulator, Office for Students, sent a range of documents for review asserting additional controls and triggering critical events in the possible emergence of cashflow crises. Due to furlough schemes, short term mortgage holiday, pay cuts and freezes, the college's year end results were positive.

The projections for the year ended 30th June 2021 have been based on the previous year's income and expenditure (year ended 30th June 2020) with cuts and reduction of income carefully considered in relation to:

- a) a projected downturn in student uptake of HE places at the College
- b) uncertainty around rental of the facilities
- c) uncertainty around accommodation and
- d) careful consideration of anticipated strategic developments and investment in order to move the college forward.

The Governing executive and the Senior Leaders of the College have kept the finances under constant and regular review. We have created three models for the cashflow projections which will respond dynamically to the circumstances as they arise and be under constant review and evaluation.

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 from the year 2019-2020 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 2020 the College reviewed the earlier report from the internal auditor. The financial management and improving and supporting systems have all improved significantly since the 2017 report, and will be reviewed in an ongoing way. At the financial year end of June 2020, the arrangement with Mr. Andrew Hollingworth has come to an end.

Governor scrutiny by an external auditor continued with robust feedback offered in an ongoing way. This role is ongoing and will support the development of Governors into 2020-2021.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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 and restricted funds held in cash at bank and in hand amount to £725,034. The total funds of the charity at 30 June 2020 amounted to £2,568,316, of which funds of £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 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 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

The Academic office continued in the implementation 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. University of Manchester, Premier Magazine, Wesleyan-Holiness Connection). A series of events have been planned for 2020-2021 and will be online or in person Covid-19 depending.

We continue to work with an external marketing company, Holdens'.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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 have determinedly developed risk assessments for Covid-19: they are publicly available on the website. 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 continued the 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 opportunities for 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 continues to 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

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.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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.

In the light of the Covid-19 the election of new Governors and replacement of any coming to the end of their term of service was delayed for one year.

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 2020

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 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 Operations and Personnel and the Director of Research, 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, normally, 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.

Mr David Day, in his capacity as trustee of the charity, is the father in law to Dr Joseph Wood who is an employee of the college.

Revd Karl Stanfield, in his capacity as trustee of the charity, is the father in law to Simona Stanfield, who is an employee of the college.

Nazarene Theological College

Trustees' Annual Report *(continued)*

Year ended 30 June 2020

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 the first page of the report.

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

Statement of Financial Activities

Year ended 30 June 2020

		2020		2019	
	Note	Unrestricted funds £	Restricted funds £	Total funds £	Total funds £
Income and endowments					
Donations and legacies	4	172,145	107,009	279,154	277,996
Charitable activities	5	1,112,636	—	1,112,636	1,119,015
Investment income	6	2,974	786	3,760	3,720
Other income	7	186,708	—	186,708	122,770
Total income		<u>1,474,463</u>	<u>107,795</u>	<u>1,582,258</u>	<u>1,523,501</u>
Expenditure					
Expenditure on raising funds:					
Costs of raising donations and legacies	8	471	—	471	1,092
Expenditure on charitable activities	9,10	1,376,962	48,312	1,425,274	1,493,724
Total expenditure		<u>1,377,433</u>	<u>48,312</u>	<u>1,425,745</u>	<u>1,494,816</u>
Net losses on investments	12	(9,978)	—	(9,978)	(677)
Net income and net movement in funds		<u>87,052</u>	<u>59,483</u>	<u>146,535</u>	<u>28,008</u>
Reconciliation of funds					
Total funds brought forward		2,280,739	287,577	2,568,316	2,540,307
Total funds carried forward		<u>2,367,791</u>	<u>347,060</u>	<u>2,714,851</u>	<u>2,568,315</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 23 to 34 form part of these financial statements.

Nazarene Theological College

Statement of Financial Position

30 June 2020

	Note	2020		2019
		£	£	£
Fixed assets				
Tangible fixed assets	18		1,981,555	2,007,474
Investments	19		110,250	120,228
			<u>2,091,805</u>	<u>2,127,702</u>
Current assets				
Debtors	20	202,603		160,399
Cash at bank and in hand		725,034		623,711
		<u>927,637</u>		<u>784,110</u>
Creditors: amounts falling due within one year	21	<u>109,840</u>		<u>139,945</u>
Net current assets			<u>817,797</u>	<u>644,165</u>
Total assets less current liabilities			<u>2,909,602</u>	<u>2,771,867</u>
Creditors: amounts falling due after more than one year	22		<u>194,751</u>	<u>203,552</u>
Net assets			<u>2,714,851</u>	<u>2,568,315</u>
Funds of the charity				
Restricted funds			347,060	287,576
Unrestricted funds			<u>2,367,791</u>	<u>2,280,739</u>
Total charity funds	24		<u>2,714,851</u>	<u>2,568,315</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 23 to 34 form part of these financial statements.

Nazarene Theological College

Statement of Cash Flows

Year ended 30 June 2020

	2020 £	2019 £
Cash flows from operating activities		
Net income	146,535	28,008
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	29,213	30,700
Net losses on investments	9,978	677
Dividends, interest and rents from investments	(2,640)	(2,400)
Other interest receivable and similar income	(1,120)	(1,320)
Interest payable and similar charges	8,894	9,331
Accrued expenses/(income)	36,056	(4,177)
<i>Changes in:</i>		
Trade and other debtors	(42,204)	(18,176)
Trade and other creditors	(64,168)	(36,733)
Cash generated from operations	<u>120,544</u>	<u>5,910</u>
Interest paid	(8,894)	(9,331)
Interest received	<u>1,120</u>	<u>1,320</u>
Net cash from/(used in) operating activities	<u>112,770</u>	<u>(2,101)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	2,640	2,400
Purchase of tangible assets	(4,573)	(94,753)
Proceeds from disposal of tangible assets	<u>1,280</u>	<u>-</u>
Net cash used in investing activities	<u>(653)</u>	<u>(92,353)</u>
Cash flows from financing activities		
Net loan (repayments)/advances	(10,794)	95,981
Net cash (used in)/from financing activities	<u>(10,794)</u>	<u>95,981</u>
Net increase in cash and cash equivalents	101,323	1,527
Cash and cash equivalents at beginning of year	623,711	622,184
Cash and cash equivalents at end of year	<u>725,034</u>	<u>623,711</u>

The notes on pages 23 to 34 form part of these financial statements.

Nazarene Theological College

Notes to the Financial Statements

Year ended 30 June 2020

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 2020

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 through the budget setting process and communicated to the recipient during the year by the finance team. 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 2020

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 2020

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 2020 £
Donations			
Donations	<u>172,145</u>	<u>107,009</u>	<u>279,154</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Donations			
Donations	<u>125,079</u>	<u>152,917</u>	<u>277,996</u>

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

5. Charitable activities

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Fees	988,934	988,934	998,089	998,089
Bookshop sales	600	600	1,215	1,215
Education services grants (KC)	53,557	53,557	51,820	51,820
District budgets	69,545	69,545	67,891	67,891
	<u>1,112,636</u>	<u>1,112,636</u>	<u>1,119,015</u>	<u>1,119,015</u>

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Income from investment properties	2,640	–	2,640
Bank interest receivable	270	786	1,056
Other investment income	64	–	64
	<u>2,974</u>	<u>786</u>	<u>3,760</u>

	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>

7. Other income

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Lettings and commissions	141,495	141,495	119,770	119,770
Employer's allowance and Job Retention Scheme income	44,492	44,492	3,000	3,000
Other income	721	721	–	–
	<u>186,708</u>	<u>186,708</u>	<u>122,770</u>	<u>122,770</u>

8. Costs of raising donations and legacies

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Costs of raising donations and legacies - Donations	<u>471</u>	<u>471</u>	<u>1,092</u>	<u>1,092</u>

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

9. Expenditure on charitable activities by fund type

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Facilities costs	206,793	6,611	213,404
Education-related costs	760,982	41,699	802,681
Support costs	409,187	2	409,189
	<u>1,376,962</u>	<u>48,312</u>	<u>1,425,274</u>

	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>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2020 £	Total fund 2019 £
Facilities and support costs - administration	213,404	395,982	609,386	612,354
Education-related costs	802,681	–	802,681	869,103
Governance costs	–	13,207	13,207	12,267
	<u>1,016,085</u>	<u>409,189</u>	<u>1,425,274</u>	<u>1,493,724</u>

11. Analysis of support costs

	Analysis of support costs £	Total 2020 £	Total 2019 £
Staff costs	203,951	203,951	206,024
General office	79,659	79,659	57,334
Finance costs	14,058	14,058	16,119
Governance costs	13,209	13,209	12,265
Travel and accommodation	17,486	17,486	34,815
Publicity	33,044	33,044	41,358
Event costs	3,922	3,922	4,480
Depreciation	29,214	29,214	30,699
Professional costs and sundries	14,646	14,646	14,474
	<u>409,189</u>	<u>409,189</u>	<u>417,568</u>

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

12. Net losses on investments

	Unrestricted Funds £	Total Funds 2020 £	Unrestricted Funds £	Total Funds 2019 £
Gains/(losses) on other investment assets	<u>(9,978)</u>	<u>(9,978)</u>	<u>(677)</u>	<u>(677)</u>

13. Net income

Net income is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	29,213	30,700
Foreign exchange differences	<u>(156)</u>	<u>9</u>

Also included within expenditure are bursaries and scholarships of £66,743 (2019: £63,024), of which £41,700 (2019: £56,409) was paid from restricted funds, and operating lease payments of £13,351 (2019: £13,783).

14. Auditors remuneration

	2020 £	2019 £
Fees payable for the audit of the financial statements	<u>7,000</u>	<u>6,470</u>
Fees payable to the charity's auditor and its associates for other services:		
Audit-related assurance services	3,240	2,850
Taxation advisory services	240	240
	<u>3,480</u>	<u>3,090</u>

15. Staff costs

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

	2020 £	2019 £
Wages and salaries	717,595	767,951
Social security costs	52,104	55,355
Employer contributions to pension plans	19,536	35,714
	<u>789,235</u>	<u>859,020</u>

Nazarene Theological College
Notes to the Financial Statements *(continued)*
Year ended 30 June 2020

15. Staff costs *(continued)*

The headcount of employees during the year was 46 (2019: 43)

The average number of employees (full time equivalents) during the year was as follows:

	2020	2019
Academic	10.6	11.1
Administration	6.7	5.8
Chaplaincy	0.8	0.8
Housekeeping	1.1	1.6
Library	0.9	0.9
Manchester Wesley Research Centre	1.0	1.0
Manchester Wesley Research Centre PostGrad Assistant	0.1	0.1
Maintenance	1.3	1.2
Publicity & Recruitment	1.2	1.4
Student Support	3.3	3.5
Archivist	0.2	0.2
Total	27.1	27.6

No employee received employee benefits of more than £60,000 during the year (2019: Nil).

16. Trustee remuneration and expenses

Mr A Graystone, the chair, received remuneration of £825 (2019: £1,650), which was authorised as it was in his capacity as a visiting lecturer.

Rev Karl Stanfield, who is also a trustee, received no remuneration in this year but £100 in the previous year, 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 2020

18. Tangible fixed assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost					
At 1 July 2019	2,290,312	192,701	9,783	28,827	2,521,623
Additions	4,573	–	–	–	4,573
Disposals	–	–	(9,783)	–	(9,783)
At 30 June 2020	<u>2,294,885</u>	<u>192,701</u>	<u>–</u>	<u>28,827</u>	<u>2,516,413</u>
Depreciation					
At 1 July 2019	325,881	150,937	8,504	28,827	514,149
Charge for the year	22,948	6,265	–	–	29,213
Disposals	–	–	(8,504)	–	(8,504)
At 30 June 2020	<u>348,829</u>	<u>157,202</u>	<u>–</u>	<u>28,827</u>	<u>534,858</u>
Carrying amount					
At 30 June 2020	<u>1,946,056</u>	<u>35,499</u>	<u>–</u>	<u>–</u>	<u>1,981,555</u>
At 30 June 2019	<u>1,964,431</u>	<u>41,764</u>	<u>1,279</u>	<u>–</u>	<u>2,007,474</u>

19. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 July 2019	3,228	117,000	120,228
Additions	–	–	–
Fair value movements	(978)	(9,000)	(9,978)
At 30 June 2020	<u>2,250</u>	<u>108,000</u>	<u>110,250</u>
Impairment			
At 1 July 2019 and 30 June 2020			–
Carrying amount			
At 30 June 2020	<u>2,250</u>	<u>108,000</u>	<u>110,250</u>
At 30 June 2019	<u>3,228</u>	<u>117,000</u>	<u>120,228</u>

All investments shown above are held at valuation.

Investment properties

The investment property was revalued on 26 November 2019 by HWM Surveyors Limited.

Financial assets held at fair value

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

Nazarene Theological College

Notes to the Financial Statements *(continued)*

Year ended 30 June 2020

20. Debtors

	2020	2019
	£	£
Trade debtors	149,657	137,732
Prepayments and accrued income	52,946	22,667
	<u>202,603</u>	<u>160,399</u>

21. Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans and overdrafts	14,167	13,536
Trade creditors	25,019	31,724
Accruals and deferred income	50,390	14,334
Social security and other taxes	-	13,710
Other creditors	6,367	8,991
Income received in advance	13,897	57,650
	<u>109,840</u>	<u>139,945</u>

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

	2020	2019
	£	£
Bank loans and overdrafts	<u>194,751</u>	<u>203,552</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 £1,946,055.

Included within creditors: amounts falling due after more than one year is an amount of £128,751 (2019: £153,398) 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 £1,961 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 £19,536 (2019: £35,714).

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 2020

24. Analysis of charitable funds

Unrestricted funds

	At 1 July 2019 £	Income £	Expenditure £	Gains and losses £	At 30 June 2020 £
Unrestricted funds	<u>2,280,739</u>	<u>1,474,463</u>	<u>(1,377,433)</u>	<u>(9,978)</u>	<u>2,367,791</u>

	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>	<u>(677)</u>	<u>2,280,739</u>

Restricted funds

	At 1 July 2019 £	Income £	Expenditure £	Gains and losses £	At 30 June 2020 £
Student Scholarship Fund	156,195	54,252	(31,699)	–	178,748
Development Fund	81,012	53,543	(6,613)	–	127,942
Scottish School of Christian Mission Fund	<u>50,370</u>	–	<u>(10,000)</u>	–	<u>40,370</u>
	<u>287,577</u>	<u>107,795</u>	<u>(48,312)</u>	–	<u>347,060</u>

	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	–	<u>89,370</u>	<u>(39,000)</u>	–	<u>50,370</u>
	<u>191,932</u>	<u>153,637</u>	<u>(57,993)</u>	–	<u>287,576</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 2020

25. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Tangible fixed assets	1,904,615	76,940	1,981,555
Investments	110,250	—	110,250
Current assets	657,517	270,120	927,637
Creditors less than 1 year	(109,840)	—	(109,840)
Creditors greater than 1 year	(194,751)	—	(194,751)
Net assets	<u>2,367,791</u>	<u>347,060</u>	<u>2,714,851</u>

	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>

26. Analysis of changes in net debt

	At 1 Jul 2019 £	Cash flows £	At 30 Jun 2020 £
Cash at bank and in hand	623,711	101,323	725,034
Debt due within one year	(22,527)	1,993	(20,534)
Debt due after one year	(203,552)	8,801	(194,751)
	<u>397,632</u>	<u>112,117</u>	<u>509,749</u>

27. Operating lease commitments

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

	2020 £	2019 £
Not later than 1 year	3,625	7,025
Later than 1 year and not later than 5 years	18,960	9,763
	<u>22,585</u>	<u>16,788</u>

28. Related parties

Unrestricted donations of £3,120 (2019: £1,520) were received from trustees during the year. Income of £42,110 (2019: £47,559) was received from the Church of the Nazarene British Isles Southern District, of which Reverend C McCann is also a trustee.

NAZARENE THEOLOGICAL COLLEGE

NOTES TO THE ACCOUNTS

YEAR ENDED 30 JUNE 2020

RESOURCES EXPENDED

	Cost of generating funds	Education	Facilities costs	Support costs	Governance	Total 2020	Total 2019
	£	£	£	£	£	£	£
Staff costs	-	539,437	45,846	203,952	-	789,235	859,021
Premises	-	-	166,900	-	-	166,900	147,795
Administration	471	196,501	658	162,814	13,209	373,653	394,277
Bursaries	-	66,743	-	-	-	66,743	63,024
Depreciation	-	-	-	29,214	-	29,214	30,699
	_____	_____	_____	_____	_____	_____	_____
Total resources expended	471	802,681	213,404	395,980	13,209	1,425,745	1,494,816
	_____	_____	_____	_____	_____	_____	_____
Total resources expended 2019	1,092	869,103	207,053	405,301	12,267	1,494,816	
	_____	_____	_____	_____	_____	_____	