

REDCLIFFE COLLEGE
(Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST JULY 2003

Company Number 3173420
Charity Number 1054907

Jacob Cavenagh & Skeet
Chartered Accountants
5 Robin Hood Lane
Sutton, Surrey
SM1 2SW



REDCLIFFE COLLEGE
(Limited by Guarantee)
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST JULY 2003

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REDCLIFFE COLLEGE*(Limited by Guarantee)***REPORT OF THE COUNCIL MEMBERS
FOR THE YEAR ENDED 31ST JULY 2003**

The Council has pleasure in submitting their report and audited financial statements for the College for the year ended 31st July 2003. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice: Accounting and Reporting by Charities.

Constitution and objects

Redcliffe College is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Charity Number 1054907, Company Number 3173420.

The College continued as an evangelical and interdenominational College committed to training an international body of men and women in Christian ministry with a special emphasis on world evangelism, development work and cross-cultural mission.

Review of the period

Numbers of students in the year as a whole were encouraging, although not as great as the previous record year. A very high number of returning students (36 out of a total student body of 70) was the highest that the College has known. Once again all of the third year students gained either a 2:1 or 2:2 award in the Honours Degree programme. 11 of the 16 students gained the higher award and the faculty is to be congratulated on another fine year of academic achievement.

During the year the University of Gloucestershire conducted a five-year review of the academic courses offered by the College. In November 2002 the panel from the University met and agreed to continue to validate the Higher Education courses for a further five years. The panel commented that, "the Course Team should be commended for their approach in providing support and guidance to students and in recognising the individual needs of students". In July 2003 the College heard that the University had validated the new MA in Global Issues in Contemporary Mission. This was a wonderful achievement by the Principal and faculty, who only began serious development of the course in February 2002. There were four students following the MA programme in September 2003, with many more expressing interest for future years.

The links with Domboshawa College in Harare, Zimbabwe were formally recognised during the year. The Principal of Domboshawa, Rev Dr Roy Musasiwa, came to Redcliffe in June for his first visit to the College. Our Principal, Rev Dr Simon Steer, was invited to be the keynote speaker at Domboshawa's Graduation Service in August and he was able to present several hundred books to the College from Redcliffe.

The Directors have been pleased to strengthen the Council this year by the further addition of three new Directors, all of whom are younger than the average age of other members of the Council. They bring with them expertise in church leadership, finance and mission, thus continuing to widen the range of expertise that is made available to the Council by their membership. Two Members of the Council resigned during the year, one for personal reasons and one having reached the normal retirement age for Directors.

We have continued to upgrade the IT facilities for students by replacing two existing computers in the Resources Room during the summer vacation. Computerisation of the Library continued to make good progress with over half of the 24,000 books now processed into the system.

The College website continues to be the introduction to the College for an increasing number of enquirers. A major and immediate task for the new Communications & Marketing Manager (appointed in October 2003) is to develop this important tool of the College communications network.

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**REPORT OF THE COUNCIL MEMBERS
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(continued)

We have continued to refurbish major areas of the interior of the property. The stairwells of the accommodation wing were redecorated in January and the Dining Room was completely refurbished in May. The buildings are generally in good condition but we continue to struggle to find the necessary resources for other refurbishment such as the redecoration of the exterior of the accommodation wing.

In September 2002 we welcomed Robin & Sarah Hay, who are former students of the College. Through their organisation, Generating Change, they are conducting important research with mission agencies and other organisations, as well as individuals, into missionary retention. Whilst they are not employees of the College they bring first-hand experience of mission work, change management as well as personnel skills and they have added greatly to the experience of the staff team.

In December 2002 the College was awarded the prestigious Investors in People Standard. This Government backed scheme recognises good practice in the training and development of staff and the Directors were delighted that the already established good practices of the College were recognised in this way.

The financial position of the College throughout the year was one that again required careful monitoring and management. Lower than anticipated fee income was the main cause of concern, but some savings in expenditure meant that the overall operating deficit (before depreciation) was restricted to £18,000. An interest-free loan of £35,000 from a Member of the Council enabled the College to have sufficient cash to pay all its accounts through the month of August, until there was income from student fees in the month of September.

Fund Raising

The Fund-Raising Task Force continued to be very active during the year, supporting the work of the Fund Development Manager. Gifts totalling £112,000 were received during the year, made up of £57,000 for the General Fund and £55,000 for the Bursary Fund. Both of these figures were lower than previous years, with some of the downturn being explained by grant-making trusts having less money available to give to charities. This issue is a cause of concern for the Directors but all efforts are being made to address the matter.

The Future

We wrote last year that the future is one of great promise as well as some uncertainty. This continues to be the case, with the immediate financial aspect of the College giving cause for some concern. Whilst the College is asset rich and we are completely solvent from that perspective, we continue to have to work hard to make ends meet from the point of view of having sufficient working capital.

However, the Directors also continue to view the future with some confidence. The staff are a highly committed and dedicated group of people who are working hard to develop new and innovative academic courses, new communications strategies, in particular developing the website, as well as using good models of administrative and fund-raising techniques.

We are also involved in informal talks with other Christian Colleges regarding the future of mission training in the UK, which may lead to some exciting new developments in this area. Whatever the outcome of these informal discussions we are confident that Redcliffe College has a place in God's purposes for the future with regard to the training and equipping of men, women and families for mission in the 21st Century.

REDCLIFFE COLLEGE
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**REPORT OF THE COUNCIL MEMBERS
FOR THE YEAR ENDED 31ST JULY 2003**
(continued)

Council Members

The Council Members, who are directors under companies legislation, during the period were as follows:

Alan Edwards	Ruth Millson
Paul Evans (appointed 26 th March 2003)	Gerard Sloggett
Ruth Gillespie	John Smuts (appointed 20 th November 2002)
Hilary Guest	Rosemary Sookhdeo
William Hart (Chairman)	Simon Steer
Pauline Hoggarth (resigned 28 th January 2003)	Peter Whitfield
William Kay (resigned 3 rd October 2002)	John Wibberley
John Henry Lonie	Fiona Wilson (appointed 26 th March 2003)
Colin Mann (retired 26 th March 2003)	

Appointment and re-appointment of Council Members

The Council Members are initially appointed by being introduced to the Council followed by a formal vote of appointment being taken at a meeting of the Council. Each year one-third (or three, whichever is the greater) stand down and, if willing, make themselves available for re-election at the Annual General Meeting of the Company.

Organisational Structure

The Council Members meet five times in each year to consider all matters pertaining to the governance of the charity. The day to day management of the College is delegated to the Principal and the Management Committee, which is made up of the Principal, Bursar and two other senior members of staff.

Investment powers

Under the Memorandum and Articles of Association, the company has the power to make any investments that the Council Members see fit.

Related Parties

The company has received loans from a Council Member and the family of another Council Member to aid in the purchase of a property. Details of the loans are set out in note 15 to the financial statements.

REDCLIFFE COLLEGE
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**REPORT OF THE COUNCIL MEMBERS
FOR THE YEAR ENDED 31ST JULY 2003**
(continued)

Risks review

In 2002 the Council Members conducted a review of the major risks to which the company is exposed and systems have been established to mitigate these risks. Systems have also been put in place to enable regular reports to be provided with respect to the risks identified, so that the necessary steps can be taken to reduce those risks. The policy was reviewed in January 2003, with further measures being established as a result.

Reserve policy

The Council has examined the requirement for 'free' reserves and considers that, given the nature of the work of the College, the reserves should be £50,000, representing approximately one month's expenditure, as a buffer for a time of declining income.

The 'free' reserves at 31st July 2003 were (£6,439) before deduction of £80,000 of loan repayments. The Council's objective is to achieve the target for 'free' reserves by 31st July 2004, subject to completion of the sale of the property at 18 Kingsholm Square.

Auditors

The auditors, Jacob Cavenagh & Skeet, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This Council Members' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Bankers

HSBC plc
The Cross
Gloucester
GL1 2AP

Bristol & West Building Society
PO Box 27
Broad Quay
Bristol BS99 7AX

Solicitors

Lithgow Pepper & Eldridge
84 Wimpole Street
London
W1M 8EJ

Auditors

Jacob Cavenagh & Skeet
5 Robin Hood Lane
Sutton
Surrey SM1 2SW

BY ORDER OF THE COUNCIL

Wotton House
Horton Road
Gloucester GL1 3PT

24th March 2004

W Hart
Chairman



REDCLIFFE COLLEGE
(Limited by Guarantee)

COUNCIL MEMBERS' RESPONSIBILITIES

The Council Members are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the incoming resources and application of resources, including the net income or expenditure of the company for that year.

In preparing those financial statements, the Council Members are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the activities of the company will continue.

The Council Members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE COUNCIL



W Hart
Chairman

24th March 2004

REDCLIFFE COLLEGE
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**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF REDCLIFFE COLLEGE**

We have audited the financial statements for the year ended 31st July 2003 on pages 7 to 15 which have been prepared under the historical cost convention, as modified by the revaluation of certain freehold land and buildings, and the accounting policies set out on page 9 and 10.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council Members and Auditors

The Council Members' (who are the directors of Redcliffe College for the purposes of company law) responsibilities for preparing the Council Members' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Council Members' Responsibilities on page 5. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Council Members is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding council members' remuneration and transactions within the company is not disclosed. We read the Report of the Council Members and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Council Members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st July 2003 and of its incoming resources and application of resources including its income and expenditure for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

24th March 2004

Jacob Cavenagh & Skeet

Jacob Cavenagh & Skeet
Chartered Accountants
and Registered Auditor

REDCLIFFE COLLEGE
(Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST JULY 2003

		<i>Year ended</i> <i>31st July 2003</i>		<i>11 months ended</i> <i>31st July 2002</i>	
	<i>Note</i>	<i>Unrestricted Funds</i> £	<i>Restricted Funds</i> £	<i>Total Funds</i> £	<i>Total Funds</i> £
INCOMING RESOURCES					
Donations and gifts		56,869	54,914	111,783	147,375
Activities in furtherance of the charity's objects					
Course fees		446,861	-	446,861	432,935
Use of facilities, hospitality and lettings		63,873	-	63,873	65,396
Investment income		<u>1,188</u>	<u>88</u>	<u>1,276</u>	<u>2,432</u>
Total incoming resources		<u>568,791</u>	<u>55,002</u>	<u>623,793</u>	<u>648,138</u>
RESOURCES EXPENDED	3				
Costs of generating funds:					
Publicity and fund-raising costs		63,964	-	63,964	60,303
Charitable expenditure:					
Costs of activities in furtherance of the charity's objects		572,321	79,870	652,191	603,963
Management and administration of the charity		<u>4,307</u>	<u>-</u>	<u>4,307</u>	<u>4,544</u>
Total resources expended		<u>640,592</u>	<u>79,870</u>	<u>720,462</u>	<u>668,810</u>
Net (outgoing) resources before transfers		(71,801)	(24,868)	(96,669)	(20,672)
Transfers between funds		<u>(6,640)</u>	<u>6,640</u>	<u>-</u>	<u>-</u>
Net (outgoing) resources	4	(78,441)	(18,228)	(96,669)	(20,672)
Other recognised gains and losses					
Gain on revaluation of fixed assets for the charity's own use	5	<u>105,914</u>	<u>-</u>	<u>105,914</u>	<u>-</u>
Net movement in funds		27,473	(18,228)	9,245	(20,672)
Funds brought forward		<u>2,040,633</u>	<u>30,340</u>	<u>2,070,973</u>	<u>2,091,645</u>
Funds carried forward		<u>2,068,106</u>	<u>12,112</u>	<u>2,080,218</u>	<u>2,070,973</u>

The company has no recognised gains or losses other than those shown above.

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST JULY 2003

	<i>Year ended</i> <i>31st July</i> <i>2003</i> £	<i>11 months ended</i> <i>31st July</i> <i>2002</i> £
Income	623,793	648,138
Expenditure	(720,462)	(668,810)
Net (expenditure) for the year	<u>(96,669)</u>	<u>(20,672)</u>

REDCLIFFE COLLEGE
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BALANCE SHEET
AS AT 31ST JULY 2003

	<i>Note</i>	<i>2003</i>	<i>2002</i>
		£	£
Fixed assets	5	2,154,545	2,094,652
Current assets			
Debtors and payments in advance	6	39,002	31,744
Cash at bank and in hand		<u>25,892</u>	<u>79,418</u>
		64,894	111,162
Creditors: Amounts falling due within one year	7	<u>69,221</u>	<u>54,841</u>
Net current (liabilities)/assets		(<u>4,327</u>)	<u>56,321</u>
Total assets less current liabilities		2,150,218	2,150,973
Creditors: Amount falling due after more than one year	8	(<u>70,000</u>)	(<u>80,000</u>)
Net assets		<u>2,080,218</u>	<u>2,070,973</u>
Unrestricted funds			
– includes revaluation reserve of £118,477 (2002: £26,660)	9	2,068,106	2,040,633
Restricted funds	10	<u>12,112</u>	<u>30,340</u>
		<u>2,080,218</u>	<u>2,070,973</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and were approved by the Council of Members on 26th November 2003 and signed on their behalf by:



W Hart
Council Member



A Edwards
Council Member

REDCLIFFE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2003

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention with the exception of certain freehold land and buildings which are shown at market value, and are prepared in compliance with the Charities Act 1993, Statement of Recommended Practice issued by the Charity Commissioners in October 2000 and applicable accounting standards. The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement, on the grounds that it is a small company.

Going concern

The company is significantly dependent on sufficient students enrolling to ensure break-even results. The directors have taken into account all information that could reasonably be expected to be available and on this basis they consider that it is appropriate to prepare the financial statements on the going concern basis. This assumes sufficient student numbers or alternative sources of income. The financial statements do not include any adjustments that would result if these events do not happen.

Depreciation

Depreciation is provided on all tangible fixed assets costing more than £100, at rates calculated to write off the cost or valuation of each asset evenly over its expected useful life, as follows:

Freehold buildings	2%
Fixtures, fittings and equipment	10% to 25%

Freehold buildings that are in the process of construction or refurbishment are not depreciated until the construction or refurbishment has been completed.

Revaluation of land and buildings

Land and buildings are classified separately between specialised and non-specialised. The specialised category comprises buildings that have been purpose-built or specially adapted for a particular use and might not realise their cost. It is therefore not practical to estimate the difference between market value and book value and in view of the fact that the properties are occupied for charitable purposes, the directors do not consider the expense of an independent valuation is justified. These properties are therefore included at book value. The non-specialised class are recognised in the accounts at open market value. Valuation of non-specialised land and buildings is carried out every three and five years by external valuers and in between where it is likely that there has been a material change in value. Gains and losses are reported in the Statement of Financial Activities.

Income

- (i) Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided.
- (ii) Donations received for the general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Council members.
- (iii) Legacies are included in the year which they are receivable, which is when the charity becomes entitled to the resource.

REDCLIFFE COLLEGE
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2003
(continued)

1 ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of VAT and is allocated between the following categories of resources expended. Certain staff costs are apportioned between separate headings based on an estimate of staff time:

- (a) Costs of activities – expenditure directly related to furthering the objects of the charity;
- (b) Publicity and fundraising costs – expenditure on the promotion of the charity; and
- (c) Management and administration – expenditure to comply with statutory and legal requirements.

Funds

General unrestricted funds represent the funds of the College that are not subject to any restrictions regarding their use and are available for application on the general purposes of the College. Restricted funds are those subject to specific trusts, which may be declared by the donor or with their authority. The restricted funds of the College are restricted income funds which are expendable at the discretion of the Council Members in furtherance of some particular aspects of the activities of the College.

Pensions

Pension costs are accounted for as the contributions become payable.

Operating leases

Rentals payable for assets held under operating leases are charged as they fall due.

2 TAXATION

The company is a registered charity and is therefore exempt from taxation under Section 505 Income and Corporation Taxes Act 1988.

3 EXPENDITURE ANALYSED BY PURPOSE

				<i>Year ended</i>	<i>11 months end</i>
	<i>Direct</i>	<i>Fund-raising</i>	<i>Management</i>	<i>31st July</i>	<i>31st July</i>
	<i>charitable</i>	<i>and</i>	<i>and</i>	<i>2003</i>	<i>2002</i>
	<i>expenditure</i>	<i>publicity</i>	<i>administration</i>	<i>Total</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Staff costs	301,973	29,605	1,160	332,738	290,601
Premises and household expenses	70,937	-	-	70,937	84,126
Tuition and training	28,627	-	-	28,627	29,710
Catering	81,705	-	-	81,705	70,906
Administrative – office costs	35,159	3,435	-	38,594	47,700
Advertising and promotion	-	30,924	-	30,924	26,365
Professional charges	-	-	3,147	3,147	3,401
Depreciation	53,920	-	-	53,920	53,428
	572,321	63,964	4,307	640,592	606,237
Bursary allocations	76,709	-	-	76,709	62,573
New Challenge Fund expenditure	3,161	-	-	3,161	-
	<u>652,191</u>	<u>63,964</u>	<u>4,307</u>	<u>720,462</u>	<u>668,810</u>

REDCLIFFE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2003
(continued)

3 EXPENDITURE ANALYSED BY PURPOSE (continued)

	<i>Year ended 31st July 2003 £</i>	<i>11 months end 31st July 2002 £</i>
Staff costs		
Wages and salaries	283,934	247,698
Social security costs	22,438	19,317
Pension costs	<u>26,366</u>	<u>23,586</u>
	<u>332,738</u>	<u>290,601</u>

The average number of staff employed during the year was:	<i>Full Time</i>	<i>Part Time</i>	<i>2003 No</i>	<i>2002 No</i>
Academic	6	-	6	6
Other	<u>7</u>	<u>4</u>	<u>11</u>	<u>11</u>
	<u>13</u>	<u>4</u>	<u>17</u>	<u>17</u>

Retirement benefits are accruing to 15 (2002: 14) employees under money purchase pension schemes.

No employees were paid above £50,000 in the year or the preceding year.

No remuneration was paid to any Council Members in respect of their office. Mr S Steer, who is employed as the Principal of the College and is also a Council Member, received remuneration, in respect of his position of Principal of the College, of £27,693 (2002: £25,040). In addition, contributions of £2,769 (2002: £2,504) were made to a money purchase pension scheme. These payments are provided for in paragraph 4(b) of the company's Memorandum of Association. Three (2002: two) Council Members were reimbursed expenses of £563 (2002: £447) in the year.

The College paid £1,222 (2002: £1,391) in respect of Trustees Indemnity Insurance during the year, which indemnifies the Council Members and the College against the consequences of any neglect or default on the part of the Council Members. The authority for this insurance is found in paragraph 67(a) of the company's Articles of Association.

4 NET (OUTGOING) RESOURCES

	<i>Year ended 31st July 2003 £</i>	<i>11 months end 31st July 2002 £</i>
This is stated after charging:		
Auditors' remuneration – audit	2,757	3,401
– other services	390	480
Depreciation	53,920	53,428
Rentals paid under operating leases	<u>3,146</u>	<u>3,587</u>

REDCLIFFE COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2003
(continued)

5 FIXED ASSETS

For use by the charity	Freehold land and buildings Non – specialised (at valuation) £	Specialised (at cost) £	Furnish- ings £	Furniture, fittings and equipment £	Kitchen fittings and equipment £	TOTAL £
Cost and valuation						
At 1 st August 2002	472,850	1,712,909	62,188	143,892	63,871	2,455,710
Additions	-	-	-	8,427	199	8,626
Revaluation in year	87,150	-	-	-	-	87,150
Disposals	-	-	-	(909)	-	(909)
At 31 st July 2003	<u>560,000</u>	<u>1,712,909</u>	<u>62,188</u>	<u>151,410</u>	<u>64,070</u>	<u>2,550,577</u>
Depreciation						
At 1 st August 2002	11,707	147,705	37,567	114,755	49,324	361,058
Revaluation	(18,764)	-	-	-	-	(18,764)
Elimination on disposal	-	-	-	(182)	-	(182)
Charge for the year	<u>7,057</u>	<u>24,258</u>	<u>6,316</u>	<u>8,280</u>	<u>8,009</u>	<u>53,920</u>
At 31 st July 2003	<u>-</u>	<u>171,963</u>	<u>43,883</u>	<u>122,853</u>	<u>57,333</u>	<u>396,032</u>
Net book value						
At 31 st July 2003	<u>560,000</u>	<u>1,540,946</u>	<u>18,305</u>	<u>28,557</u>	<u>6,737</u>	<u>2,154,545</u>
At 31 st July 2002	<u>461,143</u>	<u>1,565,204</u>	<u>24,621</u>	<u>29,137</u>	<u>14,547</u>	<u>2,094,652</u>
Historic cost	<u>453,903</u>					

The non-specialised properties were revalued at £560,000 as at 31st July 2003 by Ash & Co, external Chartered surveyors, on an open market basis in accordance with the Guidelines issued by the Royal Institution of Chartered Surveyors.

The non-specialised and specialised freehold land and buildings include £140,000 (2002: £120,000) and £500,000 (2002: £500,000) of non-depreciable land respectively.

6 DEBTORS

	2003 £	2002 £
Trade debtors	22,587	9,072
Other debtors	-	8,673
Prepayments	<u>16,415</u>	<u>13,999</u>
	<u>39,002</u>	<u>31,744</u>

REDCLIFFE COLLEGE
(Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2003
(continued)

7 CREDITORS: Amounts falling due within one year	2003	2002
	£	£
Trade creditors	30,661	15,404
Other taxes and social security costs	6,812	5,986
Accruals	21,748	33,451
Interest free loans	<u>10,000</u>	<u>-</u>
	<u>69,221</u>	<u>54,841</u>

8 CREDITORS: Amounts falling due after more than one year	2003	2002
	£	£
Interest free loans	<u>70,000</u>	<u>80,000</u>

A loan of £50,000 is repayable within 7 years by five equal instalments of £10,000 beginning in September 2005 and a loan of £20,000 is repayable in September 2005.

9 UNRESTRICTED FUNDS	Accumulated Fund	
	2003	2002
	£	£
Balance at 1 st August 2002	2,040,633	2,062,144
Incoming resources	568,791	584,019
Outgoing resources	(640,592)	(605,530)
Transfers	(6,640)	-
Gain on revaluation of fixed assets	<u>105,914</u>	<u>-</u>
Balance at 31 st July 2003	<u>2,068,106</u>	<u>2,040,633</u>

10 RESTRICTED FUNDS	Balance at	Incoming	Outgoing		Balance at
	1st August	Resources	Resources	Transfers	31st July
	2002				2003
	£	£	£	£	£
Library Fund	457	-	-	-	457
Bursary Fund	21,022	49,047	76,709	6,640	-
New Challenge Fund	<u>8,861</u>	<u>5,955</u>	<u>3,161</u>	<u>-</u>	<u>11,655</u>
	<u>30,340</u>	<u>55,002</u>	<u>79,870</u>	<u>6,640</u>	<u>12,112</u>

The Bursary Fund is maintained to fund the courses of deserving students who would otherwise be unable to meet their course fees. The transfer from unrestricted funds is to restore the balance, which was in deficit.

The Library Fund is for the development of library resources.

The New Challenge Fund is for the development of the proposed mission resourcing centre.

REDCLIFFE COLLEGE
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(continued)

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<i>Tangible fixed assets</i> £	<i>Bank</i> £	<i>Other assets and liabilities</i> £	<i>2003 Total</i> £	<i>2002 Total</i> £
Unrestricted funds	2,154,545	13,780	(100,219)	2,068,106	2,040,633
Restricted funds	-	12,112	-	12,112	30,340
	<u>2,154,545</u>	<u>25,892</u>	<u>(100,219)</u>	<u>2,080,218</u>	<u>2,070,973</u>

12 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost represents the contributions payable by the company to the fund and amounted to £26,366 (2002: £23,586).

13 OPERATING LEASES

	<i>2003</i> £	<i>2002</i> £
The company has commitments under operating leases which expire:		
Within 1 year	-	-
Between 2 and 5 years	<u>2,886</u>	<u>2,456</u>
	<u>2,886</u>	<u>2,456</u>

14 CONSTITUTION OF THE COMPANY

The company is limited by guarantee, and each member of the Council of Management is under covenant to contribute a sum not exceeding £1 in the circumstances as set out in clause 6 of the Memorandum of Association.

The number of members is 14 (2002:14).

15 RELATED PARTY TRANSACTIONS

Interest free loans from R Gillespie, a Council Member, and Mr A Steer, a brother of Mr S Steer, Principal and Council Member, given to assist in the purchase of one of the charities freehold properties, remain outstanding. The amounts outstanding at the year end were £50,000 (2002: £50,000) and £20,000 (2002: £20,000) respectively. The loans are repayable in 7 years (with five equal instalments of £10,000 beginning in September 2005) and in September 2005.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JULY 2003
(continued)

16 COMPARATIVES

Analysis of certain expenditure has been changed for the prior period to make it more comparable with the current year.

17 POST BALANCE SHEET EVENTS

Since the year-end one of the Council Members has made a short term interest free loan to the College of £35,000 to enable it to meet its short term cash flow needs. In January 2004 this loan was increased to £60,000.