

Company Registration Number 4241702
Charity Number 1092000

MOORLANDS COLLEGE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022

MOORLANDS COLLEGE

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For the year ended 30 June 2022

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ADMINISTRATIVE INFORMATION For the year ended 30 June 2022

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| Charity Name: | Moorlands College |
| Registered Office and operational address: | Moorlands College Sopley Christchurch Dorset BH23 7AT |
| Registered Charity Number: | 1092000 |
| Company Number: | 4241702 |
| The Trustees: | Siân Baker Keith Brown (resigned in Nov 2021) Jason Coltman (Treasurer from Nov 2021) Ruth Flanagan John Fowler Tim Goulding (Treasurer until Nov 2021, then Chair) Graham Jeffries (from Nov 2021) Jon Loose (Deputy Chair) Steve May-Miller (Chair, resigned as Trustee in Nov 2021) Matthew Moore Kate Pinnell (from Nov 2021) Mary Reeves Hartness Samushonga (from Nov 2021) |
| Company Secretary: | David McLellan |
| Executive Leadership Team: | Principal: David Hilborn (until Feb 2022) Executive Director: Andy du Feu Director of Academic Quality: Ian Kirby Head of Undergraduate Studies: Abi Maguire Head of Postgraduate Studies: Helen Morris Vice-Principal (Strategy): Ian Coffey (also Acting Principal from Feb 2022) Director of Communications: Karen Todd Director of Finance: David McLellan Director of Operations: Matt Mellor |
| Auditors: | Jacob Cavenagh and Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW |
| Bankers: | Bank of Scotland plc 3 Town Quay Southampton Hampshire SO14 2AQ |

MOORLANDS COLLEGE

ANNUAL REPORT OF THE TRUSTEES For the year ended 30 June 2022

The Trustees are pleased to present the annual and strategic report (which includes the Directors' Report required by company law) and financial statements for the year ended 30 June 2022.

Corporate Governance

The following have been in place for the year ended 30 June 2022 and up to the date of approval of the financial statements.

Governing document and approach

The College is a charitable company limited by guarantee, incorporated on 26 June 2001 and registered as a charity on 13 May 2002. In the event of the company being wound up members are required to contribute an amount not exceeding £10. The company was established under a Memorandum of Association that established the objects and powers of the charitable company; these were incorporated into the Articles of Association in 2010, and the Articles of Association now comprise the primary governing document. The Articles of Association were revised during 2019, in step with a Governance Policy adopted in Jan 2019, and were approved by the Charity Commission in June 2019.

The College's approach to governance applies the Public Interest Governance Principles of the Office for Students. It also follows the good practice for the Higher Education sector identified in "The Higher Education Code of Governance" produced by the Council of University Chairs. In particular, the Board of Trustees adopts and implements the core values of that document. The College affirms and adopts the Nolan "Principles of Public Life", upon which the Higher Education Code of Governance builds.

Organisational structure

The Company Directors are the Trustees of the Charity. By virtue of office, as Directors and Trustees, they are voting Members of the Company and are fully responsible, under UK law, for the direction and development of the work of the College. Together they constitute the Board of Directors of the Company and the Board of Trustees of the Charity. Within this document the Directors are generally referred to as Trustees, and the Board of Directors as the Board of Trustees. This body is both unambiguously and collectively accountable for institutional activities and takes all final decisions on matters of fundamental concern to the College. Thus, the Board of Trustees is the governing body of Moorlands College in the terms of both the Office for Students and the Quality Code for Higher Education.

The Trustees who have served during the year are set out on page 1. In accordance with the Articles of Association, revised in June 2019, each Trustee is appointed for a term of three years and is required to retire at the end of that term, although they may be eligible for reappointment; Trustees must stand down for at least one year after three consecutive terms. No remuneration is paid to Trustees in the role of Trustee; expenses can be reimbursed for travel to Board meetings, for the cost of care for dependants or, for the Chair only, loss of income. Payments to Trustees for work in other capacities (usually teaching) are disclosed in Note 4 of the Financial Statements. The Trustees have been supported administratively by an employee of the College in the role of Clerk to the Board.

The Executive Leadership Team (ELT) is the key management group, led by the Principal, for day-to-day operation of the College. ELT members attended Board meetings during the year for most items. The processes to appoint and set pay for ELT members are determined by Trustees. The Trustees review staff salaries annually and take note of the CPI, cost of living and the financial situation of the College, with no automatic entitlement to an annual salary increase. The Trustees aim that College pay levels are appropriate both to the experience and responsibilities of staff members and to the market sector. As part of a management team review, the post of VP Academic was replaced on 1 July 2021 with the distinct posts of Head of Undergraduate Studies and Head of Postgraduate Studies. During the year, the Principal stepped down, and the Board appointed the Vice-Principal (Strategy) as Acting Principal and interim Head of Institution, while the recruitment of a new Principal progresses.

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For the year ended 30 June 2022

Representation at Board meetings

The Principal, ELT members and student and staff representatives are participants in Board of Trustee meetings, providing necessary perspectives for the Board to govern effectively. The Principal and the representatives have full rights of attendance and participation in meetings but, in line with the College's constitution as a charity, as employee and beneficiaries of that charity, they do not have voting rights. In particular, student representatives have no less rights of participation and are not in any way disadvantaged in comparison to student representatives in the governance arrangements of other Higher Education institutions where the governing body is not structured as a board of trustees bearing ultimate responsibility according to charity law. Neither the Principal nor representatives are routinely excluded from discussions, though representatives would not normally be present at discussions relating to individual, identifiable students or staff members.

Recruitment and appointment of new Trustees

The range of experience and professional expertise of Trustees is kept under review and, when seeking to appoint new Trustees, full consideration is given to any perceived gaps. New Trustees are normally identified through personal contact of existing Trustees, with the process then managed by the Nominations Committee. The Trustees have power to appoint additional Trustees; there is no maximum, but the number of Trustees should never be less than five. Prospective Trustees will normally be invited to two or three Board meetings, to observe how the Board functions, before an appointment is processed.

Trustee induction and training

New Trustees are inducted in accordance with an agreed procedure, meeting with key staff, and receiving details of the legal and governance structures of the College, and background to the history and current issues under consideration by the Board. Training needs of the Board and its individual Trustees are reviewed on a regular basis by the Board in conjunction with an annual self-assessment of Board performance. Trustees are regularly informed as to external trustee training courses that are available.

Risk management

The Trustees, through the Audit and Risk Committee (ARC), regularly examine the major risks that the College faces, when reviewing and updating the risk register. The risk register outlines the most significant governance, academic, planning, operational, human resources, financial and external risks, and the control and monitoring processes in place to mitigate or eliminate the risks. Progress on further actions identified to mitigate risks or improve control processes are monitored and reported back to ARC and to the Board as required. Two of the major risks are loss of income through low student numbers, mitigated by continuous marketing and maintaining the quality of our educational provision; and the impact of government and regulatory requirements, mitigated by carefully meeting current submission deadlines and developing positive relationships to monitor future change.

Advisors

Details of the College's auditors and bankers are disclosed on page 1. During the year the College has also used the consultancy services of Keelys and MSP Business Services to provide advice and support in employment law and HR, health and safety, and food safety management within the College.

Primary responsibilities of the Board of Trustees:

- to approve the mission and strategic vision of the College, its long-term academic and business plans and key performance indicators (KPIs), and to ensure that these meet the interests of stakeholders
- to ensure that processes are in place to monitor and evaluate the performance and effectiveness of the College against these plans, using approved KPIs
- to appoint the Principal as chief executive, and to put in place suitable arrangements for monitoring their performance
- to delegate authority to the Principal for the academic, corporate, financial, estate and human resource management of the College, and to establish and keep under regular review the policies,

ANNUAL REPORT OF THE TRUSTEES (continued)

For the year ended 30 June 2022

- procedures and limits within such management functions as shall be undertaken by and under the authority of the Principal
- to oversee the assessment and management of risk, monitoring and reviewing a register of risks, and determining appropriate actions in response to risks
 - to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, and procedures for handling internal grievances and for managing conflicts of interest
 - to establish processes to monitor and evaluate the performance and effectiveness of the governing body itself
 - to conduct its business in accordance with best practice in HE corporate governance and with relevant principles, including both the principles of public life drawn up by the Committee on Standards in Public Life and the Public Interest Governance Principles of the Office for Students
 - to safeguard the good name and values of the College
 - to appoint a Clerk to the Board and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability
 - to be the employing authority for all staff in the College and to be responsible for establishing a human resources strategy
 - to be the principal financial and business authority of the College, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for its assets, property and estate
 - to be the College's legal authority and, as such, to ensure that systems are in place for meeting all its legal obligations, including those arising from contracts and other legal commitments made in the College's name
 - to receive assurance that adequate provision has been made for the general welfare of students
 - to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the College
 - to ensure that the College's governing documents are followed at all times and that appropriate advice is available to enable this to happen.

Committees

The Trustees appoint Committees, comprising representatives of the Board, supported by staff, including the Clerk to the Board, to facilitate detailed areas of its work, with a duty to report back and make recommendations to the Board of Trustees. As at 30 June 2022, these Committees comprise:

Finance and Resources: J Coltman (Chair), T Goulding, G Jeffries; with I Coffey, D McLellan, M Mellor
Audit and Risk: M Moore (Chair), J Fowler, J Loose, H Samushonga; with I Coffey, A du Feu, I Kirby, M Mellor
Nominations: T Goulding (Chair), S Baker, K Pinnell; with I Coffey
Remuneration: J Coltman (Chair), T Goulding, K Pinnell; with I Coffey, D McLellan.

From time to time, the Trustees also set up specific Working Groups and during 21/22 there has been a working group to cover Degree Awarding Powers. Other groups covering Strategy, and Recruitment Marketing and Fundraising, are management groups, with some Trustees involved to provide input and advice.

Links with Other Educational Institutions

Links with the University of Gloucestershire have continued, both to maintain the validation requirement and also to facilitate improvement of academic standards at the College. Effectiveness of the partnership between the University and the College is monitored by a major review every five years, the most recent being April 2020 when a new five-year collaborative agreement was signed lasting until August 2025.

The College works in partnership with South West Youth Ministries (SWYM) to administer the delivery of our BA degree course via our regional centre of Moorlands South West. The partnership with SWYM was reviewed during the year and continues to operate effectively.

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We have a similar administrative partnership with Youthlink: NI to support the delivery of our BA degree course at our regional centre in Northern Ireland; that partnership was also reviewed during the year and discussions to strengthen arrangements are ongoing.

The College is a member of Guild HE, and we also maintain contact with like-minded theological colleges through informal networks of Principals, Bursars and Facilities staff.

Accreditations

Since October 2018, the College has been registered with the Office for Students (OfS) as a Higher Education Provider (Approved Fee Cap status). By this, our BA and MA courses are designated, at full-time and part-time levels, for support through Student Finance. This loan support can be accessed by eligible students from all parts of the UK, in accordance with local legislation. As required by OfS registration, we participate in the National Students Survey and provide data to the Higher Education Statistics Agency.

Our Youth and Community Work BA Applied Theology degree is validated by the National Youth Agency as meeting the Joint Negotiating Committee professional standards for youth workers. This validation was renewed in September 2019 for a further five years, through until 2024. The same degree, as delivered at our regional centre in Northern Ireland, has received professional endorsement from the North South Education and Training Standards (NSETS), from Jan 2021 to Dec 2025.

The College is overseen by the Quality Assurance Agency (QAA), the OfS Designated Quality Body, to provide assurance that we are meeting UK expectations for the academic standards of awards offered, and the quality, information and enhancement of student learning opportunities provided, through our undergraduate and postgraduate degree courses. The QAA approach has moved from a periodic assessment to one that is driven by sampling and risk-based factors.

The College is recognised by the MOD as an approved learning provider for retraining service personnel.

We work within the Home Office Prevent Duty framework to recognise and reduce risks of radicalisation.

Objectives and activities

Charitable Objects

The object of the College is to maintain, advance, and promote the Christian religion and, in particular, to conduct a college for the study and teaching of the Bible and the training of Christian ministers, teachers and workers in accordance with our agreed Statement of Faith.

Vision and Mission

The vision of the College is summarised by the statement:

Equipping people, passionate about Jesus Christ, to impact the church and the world.

Our mission is to lengthen and strengthen the College's activity as a teaching and training community, to pursue growth, development and expansion alongside depth, stability and continuity.

Achievements, performance and public benefit

For over 70 years now, the College has existed to train men and women who wish to make a difference in society and the world through their work in churches, youth work, education, social care, community work and NGOs. Most of our undergraduates are involved in weekly community service as part of their course. This supervised work takes place in local churches and other agencies and is an integral part of their training. Our graduates go on to impact people of all ages in many areas of society in the UK and

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ANNUAL REPORT OF THE TRUSTEES (continued) For the year ended 30 June 2022

around the world. The College aims to keep in touch with societal needs through the operation of professional advisory groups, contact with graduates, other contacts working at the 'cutting edge', and partnership arrangements.

The results of the National Student Survey (NSS), which independently gathers leaving students' opinions on the quality of their courses, give positive and encouraging feedback. For 2022, the College received an overall satisfaction rating of 87%. While lower than in 2021, this rating remains significantly above the sector average and our benchmark in both overall score and in seven of the eight category scores (such as teaching, learning opportunities, and academic support). This positive feedback from our final year BA students reflects a huge amount of work and effort, especially given the challenges faced by both staff and students as a result of the covid pandemic.

At a much more local level of public benefit, Christchurch campus students have served Sopley village community through voluntary initiatives. Our campus premises are also occasionally used by local churches for their Sunday services and other meetings, although this also has been disrupted by covid restrictions.

We have referred to the Charity Commission's general guidance on public benefit when reviewing our aim and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

Student beneficiaries, funding sources and fees

Our undergraduate and postgraduate students are drawn from across the UK and range in age from 18 to over 70. A high percentage of the smaller number of postgraduate students in our School of Language and Scripture come from a range of countries, primarily in Europe and Asia.

The College has significant success in enabling access of under-represented groups, especially:

- mature students
- students with disabilities
- students from disadvantaged socioeconomic backgrounds.

Our provision focusses on professional preparation for people-helping and leadership roles, so is often more attractive to older students. This is not uncommon in theological colleges; however, we are comparatively more successful at enabling access to HE by those who do not have previous HE experience.

Of the College's students with disabilities a clear majority have learning disabilities (over 60%). We attribute this to the undergraduate programmes' vocational, professional focus and our reputation for Learning Assistance provision. These factors combine to encourage students, who would otherwise not enter HE, to choose Moorlands.

Adding to the College's successful orientation towards those less-represented socio-economically, the use of regional centres in more urban locations is intended to increase our reach towards areas of greater social deprivation.

A high percentage of the UK undergraduate and postgraduate students can obtain funding support through government-funded student loan financing, and many augment this with personal support through grant-funding charities and churches. In addition, the College has provided grant support to a range of undergraduate students, awards being considered on a case-by-case basis by a Financial Support Panel. In the past year, the College made scholarship, bursary, hardship and other awards, totalling £32,761 (20/21: £41,448), to 27 different students. These included Enable grant awards, designed to help

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students with disabilities to overcome challenges that might impact their success in their studies. Partial grant support was also given towards diagnostic testing, where needed by those with learning difficulties. In a year when students still suffered from the effects of covid restrictions, hardship grants, augmented by funding from OfS, were allocated by the Financial Support Panel to appropriate applicants.

Our tuition fees and accommodation and catering charges have been maintained broadly in line with the norm within the non-government-funded theological college sector. Fees are set on an annual basis with the objective of achieving a breakeven operating budget position, after allowing for inflation and the anticipated level of other income and gifts. During the times of covid restrictions, no charges were made for accommodation or catering that could not be accessed by students.

The College has agreed an Access and Participation Plan for the five years from 20/21 to 24/25 with OfS. This maps out how the College will widen access to Higher Education for those from disadvantaged backgrounds, support their success and enhance their progression to professional jobs or further studies.

This year's activities

The principal activity of the College during the year has been the provision of full-time courses in biblical, theological and related studies alongside vocational training and personal development. This is in accordance with the Memorandum and Articles of Association.

1 Continuing course delivery

Studies in 2021-22 were much less impacted by covid and a return to face-to-face teaching was a highlight after several months of on-line and hybrid approaches. However, the uncertainty caused by the pandemic has had a significant impact on our recruitment, and student enrolments at September 2021 were substantially down on previous years. Recruitment to our BA programme was 28, down from 57 in 20/21 while the intake to our MA programmes was down to 18, from a high of 45 in 20/21. Towards the end of the year, we invested in the appointment of a student ambassador, whose role will focus on student recruitment.

We saw good proportions of students progressing through their studies and into graduate-level employment or further study. The total number of student learners engaged during the year on our degree training courses was 218 (20/21: 277). Over the course of the year, 24 MA degrees, one Postgraduate Diploma (PGDip), eight Postgraduate Certificates, and 42 BA degrees have been awarded. Our graduation event in November 2021 celebrated two years of graduating students, as the pandemic had prevented such a gathering in October 2020.

As a result of lower student applications, our BA Foundation Year and the PGDip of our School of Language and Scripture (SLS) were unable to run in 21/22; applications to both have since recovered and happily they will resume in 22/23. Also due to low numbers, the regional centre in Midlands had to close to new applicants, and we have decided not to accept further applications for Midlands. We had an intake of seven students into the second year of our N Ireland regional centre, being run in partnership with Youthlink: NI. However, applications for the coming year have dropped and so we decided to suspend recruitment for Sep 2023 and explore the exciting new approach of a hybrid-delivery mode. Continuing students of both Midlands and Northern Ireland are being taught through to the end of their courses.

In continuing the provision of our range of degree courses, we have had regular positive feedback from our External Examiners and the University of Gloucestershire about the high standard of those courses. As noted previously, the latest NSS results show an overall satisfaction rating of 87% from our leaving students. The College continues to enjoy a healthy relationship with OfS, in part because of our successes in fulfilling our access and participation plan, supporting students from less advantaged backgrounds to access and flourish in studies.

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ANNUAL REPORT OF THE TRUSTEES (continued) For the year ended 30 June 2022

The College Principal stepped down in Feb 2022 and transitioned to the role of Honorary Senior Research Fellow; the Board asked the VP (Strategy) to take on the role of Acting Principal from Nov 2021, timed to also cover a period of study leave for the Principal. The Board has implemented an interim measure that, from Sep 2022, the Executive Director will run the College on a day-to-day basis and act as accountable officer.

The restrictions arising from the spread of the pandemic resulted in covid-secure measures at our campuses and offices, with use of online platforms and mixed approaches for teaching and meetings. With significant cooperation from staff and students, this was successfully achieved across all our courses and, while most of these measures have been rescinded, the positive benefits of lessons learned continue.

We have made use of NCFE accreditation of our level 3 (pre-degree) modules as part of the customised award known as Engaging with Applied Theology (EAT). We have worked with South West Youth Ministries (16 students, four of whom have also gained the Award in Christian Leadership) and with Arun Church (three students).

2 Improvement of course management and quality

During the year, we appointed an Academic Development Group to lead on revising the undergraduate programmes. The planned changes will allow us to offer the BA programmes in two modes, one of which is the traditional campus-based mode revolving around weekly timetables run over a term. However, we will also introduce a hybrid-delivery mode, including in each year of study four two-day, face-to-face study blocks and a carefully structured sequence of online interactions with teachers and other students, as well as independent work. The hybrid-delivery mode is expected to replace the current regional centre approach. The revised programme will be reviewed internally and presented to the University of Gloucestershire and is expected to be offered for a September 2023 start.

Work has continued to strengthen the College's systems for the upholding of standards and assurance of quality, but we have decided to temporarily place on hold our application for authorisation to operate degree awarding powers.

We encourage professional development of our staff as an important contributor in improving quality. Several of our staff and students have spoken at national and international events. Regular staff training events are held through the year. The number of staff with Advance HE professional recognition has increased to three Senior Fellows and three Fellows.

Significant revisions to streamline and improve our NCFE provision were approved through the College's internal Programme Periodic Review and Approval mechanism before being approved by NCFE itself. The College also approved a new partnership with New Life Christian Church, Emsworth, for delivery of the NCFE awards from September 2023, in line with our strategic objectives to increase recruitment through pre-HE provision.

3 Fundraising

In line with reporting requirements included in the Charities Act 2016 the Trustees confirm that all fundraising is done in compliance with best fundraising practice. All fundraising activities follow traditional methods, recognised as ethical for many years, and during 2021/22 we did not employ any professional fundraisers. There were no complaints or criticisms during the year about our fundraising activities.

Fundraising through the year focused on enthusing potential donors, sharing our vision for the future and encouraging support through the Friends of Moorlands initiative. Undesignated gifts are normally allocated to our general fund but several small regular gifts are designated by donors for one of our student support funds, restricted funds that are used to support and enhance the student experience at

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ANNUAL REPORT OF THE TRUSTEES (continued)

For the year ended 30 June 2022

the College. We continued to benefit from the generous financial support and partnership of several larger trusts, with a range of gifts that support teaching and events in Apologetics and Evangelism, provide partial support for senior teaching and research posts, or assist the College with strategic development, as we aim to maximise opportunities to widen and strengthen our course provision, and fulfil our mission and vision.

To mark a forthcoming milestone, we launched a 75th anniversary film with an event that honoured the vision and tenacity of past principals, and a timely reminder that the College has overcome many significant challenges over its long history.

4 Campus Facilities

On the Christchurch campus, we made improvements to the air-handling system in the Dawlish lecture room and upgraded the sports hall lighting to LED technology. We replaced the heating/hot water boilers and control system for the main Residential Block, and upgraded a further bedroom to ensuite standard, adding to the three bedrooms converted last year. Other asset purchases involved replacement IT equipment and additional student desks.

Financial Review

Income

The total income for the year amounted to £1,973,259 (20/21: £2,250,205). Our primary source of income is unrestricted income of student fees plus charges for provision of our training and development courses. The total income in 21/22 arising from our charitable activities totalled £1,839,994 (20/21: £2,088,589).

Fundraising activity, with a little from the letting of our buildings to groups for holiday/non-educational purposes, generated income of £117,773 (20/21: £111,594). Included in this were donations of £9,917 (20/21: £27,436) for bursary funds and £716 (20/21: £555) for new projects. Bank interest income from College funds totalled £2,137 (20/21: £2,552).

Expenditure

Expenditure in the year totalled £2,151,708 (20/21: £2,230,610). Of this, £29,152 (20/21: £13,189) was spent on fundraising and other income-generating activity. Expenditure on main charitable activities was £2,122,556 (20/21: £2,217,421), which included depreciation charges of £92,324 (20/21: £96,773), and student support grants of £32,761 (20/21: £41,448). Capital expenditure spent on buildings, plant and equipment, totalled £71,146 (20/21: £127,496) of which £58,919 (20/21: £90,261) related to buildings investment.

Financial Health

The balance sheet shows that the College has assets in excess of liabilities. Land and freehold property is shown as the sum of purchase price and construction cost, less depreciation. The net book value of land and buildings is shown in note 5 as £4,548,667 (20/21: £4,543,357). At 1 August 2022, the buildings were insured for £13,235,153 (20/21: £12,164,663) in line with the insurance company's valuation of rebuilding costs.

Under Financial Reporting Standard 102, unconditional multi-year donations are recognised as and when committed, not when actually received. At 30 June 2022, £nil (20/21 £75,000) of grant income had been received in advance of the period to which the grant relates. This is shown as deferred grant income in Note 7.

The Trustees consider that the financial health of the College is satisfactory at the end of the year, with essential free reserves of £674,798 (20/21: £881,185), which equates to just over 3.75 months' normal

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ANNUAL REPORT OF THE TRUSTEES (continued)

For the year ended 30 June 2022

operating expenditure, plus additional designated and restricted funding available to fund continuing investment in the campus facilities and strategy implementation.

Investment Policy

The Trustees' investment powers are governed by the Memorandum and Articles, which permit the College's funds to be invested in stock funds, shares, securities or other investments or property. All the funds currently held are for operational and short-term purposes, rather than investment purposes, and are held in a range of bank deposits. Therefore, bank interest is the only investment income earned by the College during the year.

Reserves Policy

The College regularly reviews its reserves policy, covering both the purpose and levels of reserves held by the College, ensuring they remain appropriate to current levels of activity and proposed strategic developments. Note 9 to the financial statements shows the assets and liabilities attributable to the various funds by type. Note 8 describes the various funds of the College, summarises the year's movements on each fund, and shows the amounts held in each fund at the end of the year.

Unrestricted general funds amounted to £312,957 (20/21: £488,972) at the year-end, which are freely available funds, to apply to future activities as required. In addition, the College holds a designated contingency reserve of £186,300 (20/21: £186,300) for use should the annual operating budget and general fund fall into deficit.

The College also holds a designated fund for the purposes of funding the costs of cyclical refurbishment and maintenance of the College buildings, in order that we can aim to continue to maintain the buildings and upgrade the facilities in accord with the long-term development programme. The balance at year-end was £175,541 (20/21 £205,913). As the Trustees could readily re-designate these monies in the event of a financial crisis, this fund is regarded, together with the general fund and the contingency reserve, as part of the essential free reserves of the College.

The Trustees have concluded that target reserves of at least three and, preferably, between four and six months of average operating expenditure are required to meet working capital needs for normal operational purposes, and to cover financial obligations in the event of a financial crisis. The level of essential free reserves at the end of the year covers 3.75 months' activity at £179,300 per month.

Other restricted or designated funds are held to finance building development, student financial support, and programme development, as detailed in note 8 to the financial statements, the balances of which are considered satisfactory to meet the projected needs of the College for the immediate future.

Remuneration of the Principal

The remuneration packages for the Principal and the Acting Principal, in their terms as head of the College, are disclosed in Note 4. The process of setting these is determined by the Trustees, with recommendations made by the Remuneration Committee, which is also responsible for annual reviews of such a package, normally simple inflationary adjustments to salary. The Remuneration Committee considers comparative information from other organisations in the HE sector and from charities, and must consider the public interest and the safeguarding of public funds alongside the interests of the College. The last major review of the package for the Principal was carried out in summer 2018, as part of the process for selecting and appointing a new Principal. That package comprises a basic salary and the standard employment pension scheme, as available to all College staff. The performance of the Principal is appraised each year by the Chair of Trustees but there are no performance-related components in the remuneration package.

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ANNUAL REPORT OF THE TRUSTEES (continued) **For the year ended 30 June 2022**

Plans for Future Periods

Work is commencing on a new strategic planning cycle ahead of 2024, when the current plan concludes. In the meantime, we continue with a range of strategic principles agreed by the Trustees and covering the period up to 2024. These emerge from and are grounded in the vision, mission, ethics, ethos and values of the College. In line with the mission statement, they are categorized as “lengthening”: pursuing growth, development and expansion, and “strengthening”: pursuing depth, stability and continuity:

Student recruitment

- Widen access and participation in higher education at the College
- Maintain campus-based students at a level that makes proper use of the facilities at Christchurch

Geographical reach

- Make the College’s courses accessible to anyone living in the UK wishing to study applied theology
- Widen the geographical reach of the College within the UK
- When legislative and political constraints permit, encourage students from beyond the UK to study at the College

National and international profile

- Forge productive partnerships with like-minded organisations, delivery partners and alumni that will make the College more widely known in the UK and beyond, not restricted by its physical locations

Influence

- Influence the wider Christian community and society
- Serve and support the local community of Christchurch in appropriate ways
- Resource and inspire Christian leaders
- Provide encouragement in ministry and long-term relational support to former students

Range of courses

- Widen the portfolio of applied theology courses offered by the College

Academic quality

- Review continuously all aspects of course content and delivery in order to constantly improve quality of teaching and all aspects of delivery and maintain national standards
- Demonstrate thought-leadership by addressing contemporary cultural, pastoral and theological issues
- Encourage academic leadership and influence through research, publishing and engagement with the wider academic community
- Ensure that all students are engaged in the monitoring and review of their studies
- Recruit academic and support staff of high calibre

Governance

- Ensure the ongoing re-affirmation of the evangelical Christian beliefs at the core of the College.
- Give clear and effective leadership to the College at Board and management levels, ensuring that vision, mission, values and relevant strategic goals are understood and pursued
- Ensure that robust systems and structures exist, within which the Board and the College management can operate effectively and with appropriate accountability
- Ensure that the student voice is heard and taken account of at all levels of the College
- Plan ahead for operational continuity and leadership succession

Financial stability and resourcing

- Continue the development of a healthy financial culture, enabling confident medium and long-term planning
- Develop income streams other than student fees, reducing dependency on student numbers and enabling strategic planning and development

MOORLANDS COLLEGE

ANNUAL REPORT OF THE TRUSTEES (continued) For the year ended 30 June 2022

- Take the costs and risks associated with validation arrangements under the College's own control, investigating and determining whether to apply for Degree Awarding Powers
- Make best use of the College buildings, campus and other assets both physical and intellectual

Key Priority Objectives (KPOs) associated with these principles were agreed by the Trustees. Each of the KPOs has several Key Performance Indicators aligned with it and these are being overseen by the Strategic Monitoring Group.

Our undergraduate degree student intake for 22/23 is expected to be 28 for all our BA courses, similar to last year but significantly lower than in previous years. This includes an intake of eight students in the regional centre in the South West, and seven in Foundation Year at Christchurch, which resumes after a fallow year in 21/22. Sadly, low application levels have caused us to run our regional centre in Northern Ireland without an intake cohort. Our intake for MA Applied Theology has risen from last year's 10 to 16, and we will be teaching at least 20 students for the various courses run by SLS.

We will work to gain approval for the revised BA programmes for a start in September 2023 of the hybrid-delivery mode. With the combination of BA programme changes, fresh marketing initiatives and renewed recruitment opportunities, student numbers are expected to recover quickly, but the Board is exploring a range of options to sustain the College in the short term.

We are also continuing our work towards establishing a Centre for Evangelical Studies, likely to be known as the Vine Centre. A development group has been set up to take this vision into more detailed plans.

In the coming year we will work on a new fundraising strategy. A key part of that will be our Friends of Moorlands initiative that aims to strengthen our engagement with alumni and their churches or key organisations, building a strong base of connected Friends who see Moorlands as a first port of call for training and, where possible, to assist with fundraising.

Finally, the year's planned facility development includes the replacement of boilers in several of our smaller heating systems, plus smart heating and lighting solutions to reduce energy consumption across the Christchurch campus. We will aim to maximise use of our campus premises for students during term time and to generate letting income at other times of the year, now that covid restrictions have eased.

Statement of Internal Control

As governing body of the College, the Board of Trustees recognises that it has responsibility for maintaining a sound system of internal control to support the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to it in the Articles of Association, and the requirements of such bodies as the Office for Students.

The system of internal control is intended to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing review process intended to identify the principal risks to the College, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically. The risk management approach is summarised on page 3 and is a major aspect of the work of the Audit and Risk Committee. This process has been in place for the year ended 30 June 2022 and up to the date of approval of the financial statements.

In addition to this, the Trustees oversee the College's performance in meeting its strategic objectives through the planning and monitoring of the annual plan and budget. Regular updates on performance are presented to Trustees during the year, with a full year-end report considered in October/November. A

ANNUAL REPORT OF THE TRUSTEES (continued)
For the year ended 30 June 2022

provisional plan and budget for the following year is approved by Trustees every June, followed by the approval of a final revision in October/November, once confirmed student numbers for the academic year are known.

The Trustees have responsibility for reviewing the effectiveness of the College's system of internal control and, via the Audit and Risk Committee, conducts periodic reviews. Trustees consider the plans and strategic direction of the College and receive reports from the Chair of Audit and Risk Committee and have access to the minutes of Audit and Risk Committee meetings. The review of the effectiveness of the system of internal control is also informed by the work of the Executive Leadership Team, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their annual reports.

The Trustees are of the view that the College has an appropriate framework for delivering assurance on key aspects of governance, risk management and internal control, and that there is clarity in terms of the respective roles of the Audit and Risk Committee, the Finance and Resources Committee and the Board of Trustees.

With regard to regularity and propriety of public funding, the Trustees are of the view that all reasonable steps have been taken, through the College's ELT and the above committees, to:

- ensure that funds from the Department for Education (DfE), the Office for Students (OfS) and other funding bodies are used only for the purposes for which they have been given and in accordance with OfS' Financial Memorandum and the Funding Agreement with DfE and any other conditions which DfE or OfS may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud; and
- secure the economic, efficient and effective management of the College's resources and expenditure.

Statement of Trustees' Reporting Responsibilities

The Trustees (who are also directors of Moorlands College for the purposes of company law) are responsible for preparing the annual report of the Trustees and the financial statements in accordance with applicable UK law and accounting standards (see Note 1).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the College and of the income and expenditure of the College for the year. In preparing these financial statements, the Trustees 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 UK 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 College will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MOORLANDS COLLEGE

ANNUAL REPORT OF THE TRUSTEES (continued) For the year ended 30 June 2022

The Trustees have taken reasonable steps to:

- ensure that funds from the Department for Education (DfE), the Office for Students (OfS) and other funding bodies are used only for the purposes for which they have been given and in accordance with OfS' Financial Memorandum and the Funding Agreement with DfE and any other conditions which DfE or OfS may from time to time prescribe;
- ensure that there are appropriate financial management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the College and prevent and detect fraud; and
- secure the economic, efficient and effective management of the College's resources and expenditure.

Information provided to Auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the College's auditors are unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Trustees on 14 November 2022 and signed on their behalf by:

.....
Tim Goulding (Chair of Trustees)

.....
Andy du Feu (Accountable Officer)

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MOORLANDS COLLEGE FOR THE YEAR ENDED 30 JUNE 2022

Opinion

We have audited the financial statements of Moorlands College (the 'charity') for the year ended 30 June 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Office for Students.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' and strategic report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' and strategic report included within the Trustees' Report has been prepared in accordance with applicable legal requirements.

Opinions on other matters prescribed by the Office for Students' (OfS) terms and conditions of funding for higher education institutions and the OfS's accounts direction

In our opinion, in all material aspects:

- funds from whatever source administered by the charity for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by OfS have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them; and
- the requirements of the OfS's accounts direction have been met.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MOORLANDS COLLEGE FOR THE YEAR ENDED 30 JUNE 2022 (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' or strategic reports included with the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity, we identified that the principal risks of non-compliance with laws and regulations related to employment and financial reporting legislation and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011. We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management, considering the internal controls in place and discussion amongst the engagement team.

We determined that the principal risks were related to management bias in accounting estimates, presentation of separately disclosed items and management override of controls. In response to the risks identified we designed procedures which included, but were not limited to challenging significant accounting estimates, agreeing financial statement disclosures to underlying supporting documentation, evaluating the internal controls, and reviewing trustees minutes and identifying and testing journal entries.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

MOORLANDS COLLEGE

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF MOORLANDS COLLEGE FOR THE YEAR ENDED 30 JUNE 2022 (continued)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Miriam Hickson FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet
Statutory Auditor, Chartered Accountants**

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

Dated:

MOORLANDS COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) For the year ended 30 June 2022

| | | Unrestricted general fund 2022 | Designated funds 2022 | Restricted funds 2022 | Total 2022 | Unrestricted general fund 2021 | Designated funds 2021 | Restricted funds 2021 | Total 2021 |
|--|------|-----------------------------------|--------------------------|--------------------------|------------------|-----------------------------------|--------------------------|--------------------------|------------------|
| | Note | £ | £ | £ | £ | £ | £ | £ | £ |
| INCOME | | | | | | | | | |
| Income from generated funds: | | | | | | | | | |
| Donations and Legacies | 2a | 96,469 | - | 10,633 | 107,102 | 81,938 | - | 27,991 | 109,929 |
| Other Trading Activities: | | | | | | | | | |
| Lettings income | | 6,530 | - | - | 6,530 | 760 | - | - | 760 |
| Other events & sales | | 4,141 | - | - | 4,141 | 905 | - | - | 905 |
| Investment Income | | 2,137 | - | - | 2,137 | 2,552 | - | - | 2,552 |
| Income from charitable activities | | | | | | | | | |
| Educational and related income | 2b | 1,551,032 | - | 288,962 | 1,839,994 | 1,784,719 | - | 303,870 | 2,088,589 |
| Other income | 2c | 13,355 | - | - | 13,355 | 47,470 | - | - | 47,470 |
| Total Income | | 1,673,664 | - | 299,595 | 1,973,259 | 1,918,344 | - | 331,861 | 2,250,205 |
| EXPENDITURE | | | | | | | | | |
| Raising Funds | | 8,199 | - | 20,953 | 29,152 | - | - | 13,189 | 13,189 |
| Charitable Activities | | 1,746,658 | 109,680 | 266,218 | 2,122,556 | 1,757,184 | 113,794 | 346,443 | 2,217,421 |
| Total Expenditure | 3 | 1,754,857 | 109,680 | 287,171 | 2,151,708 | 1,757,184 | 113,794 | 359,632 | 2,230,610 |
| Net Income / (Expenditure) before Transfers | | (81,193) | (109,680) | 12,424 | (178,449) | 161,160 | (113,794) | (27,771) | 19,595 |
| Transfers | 8 | (94,822) | 57,503 | 37,319 | - | (122,551) | 136,925 | (14,374) | - |
| NET MOVEMENT IN FUNDS | | (176,015) | (52,177) | 49,743 | (178,449) | 38,609 | 23,131 | (42,145) | 19,595 |
| Balances at start of year (1 July) | | 488,972 | 5,033,383 | 104,413 | 5,626,768 | 450,363 | 5,010,252 | 146,558 | 5,607,173 |
| Balances at end of year (30 June) | | 312,957 | 4,981,206 | 154,156 | 5,448,319 | 488,972 | 5,033,383 | 104,413 | 5,626,768 |

All of the College's activities are classed as continuing.

The College has no recognised gains or losses other than the result for the year.

The notes numbered 1 to 12 form part of these financial statements.

MOORLANDS COLLEGE
Registered Company number 4241702
BALANCE SHEET
As at 30 June 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 4,619,366 | 4,641,171 |
| CURRENT ASSETS | | | |
| Stocks | | 22,588 | 19,791 |
| Debtors | 6 | 94,105 | 148,798 |
| Cash at bank and in hand | | 875,622 | 1,062,803 |
| | | <u>992,315</u> | <u>1,231,392</u> |
| CREDITORS: Amounts falling due within one year | 7 | <u>(163,362)</u> | <u>(245,795)</u> |
| NET CURRENT ASSETS | | 828,953 | 985,597 |
| NET ASSETS | | <u>5,448,319</u> | <u>5,626,768</u> |
| RESERVES | | | |
| Unrestricted General Funds | 8, 9 | 312,957 | 488,972 |
| Designated Funds | 8, 9 | 4,981,206 | 5,033,383 |
| Restricted Funds | 8, 9 | 154,156 | 104,413 |
| | | <u>5,448,319</u> | <u>5,626,768</u> |

These financial statements were approved and authorised for issue by the Trustees on 14 November 2022 and are signed on their behalf by:

Mr T Goulding

Mr A du Feu

The notes numbered 1 to 12 form part of these financial statements.

MOORLANDS COLLEGE

CASH FLOW STATEMENT

For the year ended 30 June 2022

| | 2022 | 2021 |
|--|-------------------|-------------------|
| | £ | £ |
| OPERATING ACTIVITIES | | |
| Surplus (deficit) after depreciation and before tax | (178,449) | 19,595 |
| Adjustment to add back depreciation | 92,324 | 96,773 |
| Adjustment to add back loss (deduct surplus) on disposal | 627 | 352 |
| Adjustment to deduct interest | (2,137) | (2,552) |
| Net changes in working capital | (30,537) | 10,046 |
| Income tax paid | - | - |
| Net cash inflow (outflow) from operating activities | (118,172) | 124,214 |
| INVESTMENT ACTIVITIES | | |
| Purchase of fixed assets | (71,146) | (127,496) |
| Interest received | 2,137 | 2,552 |
| Net cash inflow (outflow) from investing activities | (69,009) | (124,944) |
| FINANCING ACTIVITIES | | |
| Net cash inflow (outflow) from financing activities | - | - |
| Overall net cash inflow (outflow) | (187,181) | (730) |
| Cash at start of year | 1,062,803 | 1,063,533 |
| Cash at end of year | 875,622 | 1,062,803 |

The notes numbered 1 to 12 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2022

1 ACCOUNTING POLICIES

Basis of preparing the financial statements

Moorlands College is a charitable company registered in England & Wales. The address of the registered office is given in the charity information on page 1 of these financial statements.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)), Financial Reporting Standard 102 (FRS 102), the Charities Act 2011, and the requirements of the Office for Students.

The Trustees consider that there are no material uncertainties regarding the College's ability to continue as a going concern. In reaching that conclusion the Trustees have considered the cash flows for one year from the date of approval of the financial statements. The Trustees have considered a range of scenarios that could occur over that period and believe that the strength of the College's reserves, with various economies that have been put in place, will ensure its ability to continue as a going concern for a period in excess of 12 months from the reporting date. Beyond that timescale, the Trustees believe that the combination of a significant revision of the College's BA programme, fresh marketing resourcing and initiatives, and a return of recruitment opportunities at conferences and events, will generate sufficient student applications and fee income to bring the College finances back into surplus.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and are presented in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Income

Income, including grant, government grant and legacy income, is recognised on an accruals basis, when the College is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is more likely than not that the income will be received. Income is deferred if time-related conditions or performance conditions require deferral of the amount. Job Retention Scheme government grant income is recognised in the period to which the underlying furloughed staff costs relate.

Expenditure

Expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT. Certain expenditure is directly attributable to specific activities and has been allocated to those cost categories and governance costs in accordance with the requirements of the Statement of Recommended Practice. Certain other costs and some staff costs are attributable to more than one activity. In these cases the costs have been apportioned to the individual activities on the basis of the time spent by staff on matters relating to those activities.

Governance costs comprise all costs relating to the public accountability of the College and its compliance with regulation and good practice. These costs include costs relating to the statutory audit.

Bursaries

Bursaries from restricted funds are included as expenditure in the period for which the award is given.

Tangible fixed assets

Assets are only capitalised, at cost, where they cost £1,000 or more. Assets costing less than £1,000 may be capitalised where these form part of a set or a wider equipment package.

Freehold land is not depreciated. Depreciation of buildings is based on useful economic life and residual value of each main building. Depreciation of other fixed assets is provided for at the following rates to write off the original cost of each asset over its estimated useful life. Depreciation on assets is charged from date of first use or, where more appropriate, from the date of purchase.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

1 ACCOUNTING POLICIES (*continued*)

| | |
|----------------------------------|---|
| Freehold buildings | Between 20 and 100 years straight line |
| Fixtures, fittings and equipment | 20% per annum straight line, unless useful economic life is deemed to be longer or shorter than 5 years |
| Motor vehicles | 20% per annum straight line |

Debtors

Debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

Creditors and provisions

Creditors and provisions are recognised where the College has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be reliably measured or estimated. Creditors and provisions are recognised at their settlement amount.

Stock

This is valued at the lower of cost and net realisable value, after allowing for slow moving or obsolete items.

Library

The cost of additions to the library is written off in the year in which the items are purchased.

Pensions

The College offers a defined pension contribution scheme to its employees and makes contributions to this pension scheme on behalf of its employees. The scheme is open to all qualifying employees and enrolment in the scheme is optional. The contributions payable for the scheme for the period are charged in the income and expenditure account. The charge for the year is shown in Note 4.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in the Statement of Financial Activities.

Tax status

The College is a registered charity and therefore it is not assessable to corporation tax on any surplus charitable funds.

Funds accounting

Funds held by the College are:

Unrestricted general funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds are funds that can only be used for particular purposes within the objects of the College. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The nature and purpose of each fund is explained further in note 8 to the financial statements.

MOORLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

2a DONATIONS AND LEGACIES

| | Unrestricted | Restricted | 2022 | 2021 |
|---------------------------------|---------------|---------------|----------------|----------------|
| | £ | £ | £ | £ |
| General donations | 96,469 | - | 96,469 | 81,938 |
| Donations for new projects | - | 716 | 716 | 555 |
| Donations for student bursaries | - | 9,917 | 9,917 | 27,436 |
| | <u>96,469</u> | <u>10,633</u> | <u>107,102</u> | <u>109,929</u> |

2b GRANT AND FEE INCOME

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Grant income from the Office for Students | 54,823 | 73,374 |
| Grant income from other bodies | 36,849 | 52,031 |
| Fee income for taught HE awards | 1,211,462 | 1,474,531 |
| Fee income for research awards | - | - |
| Fee income from non-qualifying courses | 12,108 | 10,505 |
| Total Grant and Fee Income | <u>1,315,242</u> | <u>1,610,441</u> |
| Other Educational and related income | <u>524,752</u> | <u>478,148</u> |
| Total Educational and related income | <u>1,839,994</u> | <u>2,088,589</u> |

2c GRANT AND FEE INCOME

| | 2022 | 2021 |
|---------------------------------------|---------------|---------------|
| | £ | £ |
| Job Retention Scheme government grant | <u>13,355</u> | <u>47,470</u> |

3 ANALYSIS OF EXPENDITURE

| | Staff costs | Premises | Depreciation | Other costs | Total 2022 | Total 2021 |
|---|------------------|----------------|---------------|----------------|------------------|------------------|
| | £ | £ | £ | £ | £ | £ |
| Costs of generating voluntary income | 14,213 | - | - | 6,740 | 20,953 | 13,189 |
| Costs of activities for generating income | 8,199 | - | - | - | 8,199 | - |
| <i>Total cost of raising funds</i> | <u>22,412</u> | <u>-</u> | <u>-</u> | <u>6,740</u> | <u>29,152</u> | <u>13,189</u> |
| Teaching and related costs | 808,512 | - | 37,905 | 344,780 | 1,191,197 | 1,239,964 |
| Other student costs | 89,037 | - | - | 151,069 | 240,106 | 241,623 |
| Support Costs | 391,118 | 144,597 | 54,419 | 89,163 | 679,297 | 724,873 |
| Governance costs | - | - | - | 11,956 | 11,956 | 10,961 |
| <i>Total costs of charitable activities</i> | <u>1,288,667</u> | <u>144,597</u> | <u>92,324</u> | <u>596,968</u> | <u>2,122,556</u> | <u>2,217,421</u> |
| Total Expenditure | <u>1,311,079</u> | <u>144,597</u> | <u>92,324</u> | <u>603,708</u> | <u>2,151,708</u> | <u>2,230,610</u> |

| Other costs: | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Teaching costs | 342,242 | 346,387 |
| Library and study materials | 27,489 | 31,774 |
| Catering and student welfare | 96,495 | 85,550 |
| Advertising and promotion of the College | 36,115 | 22,833 |
| Office costs | 20,090 | 24,070 |
| Fees payable for the audit | 10,613 | 10,553 |
| Consultants and legal fees | 29,415 | 51,111 |
| Travel and subsistence | 24,628 | 17,154 |
| Bad debts & provision for doubtful debts | 13,853 | 4,279 |
| Sundry expenses | <u>2,768</u> | <u>2,623</u> |
| | <u>603,708</u> | <u>596,334</u> |

MOORLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

4 STAFF COSTS

| | 2022 | 2021 |
|---|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,107,121 | 1,175,970 |
| Social Security costs | 66,412 | 75,188 |
| Other pension costs | 102,725 | 110,435 |
| | <u>1,276,258</u> | <u>1,361,593</u> |
| Remuneration of Principal (1 Jul 2021 to 11 Feb 2022) | 2022 | 2021 |
| Salary | 31,361 | 50,750 |
| Pension contributions | 3,136 | 5,202 |
| Termination payments | 25,000 | - |
| Remuneration of Acting Principal (12 Feb 2022 to 30 Jun 2022) | | |
| Salary | 16,286 | NA |
| Pension contributions | 1,629 | NA |
| | <u>77,412</u> | <u>55,952</u> |
| Median pay ratios | | |
| All staff basic salary (wrt Prin) | 1.38 | 1.71 |
| All staff total pay (wrt Prin) | 1.52 | 1.72 |
| All staff basic salary (wrt Act Prin) | 1.17 | NA |
| All staff total pay (wrt Act Prin) | 1.28 | NA |

At 30 June 2022 there were no accrued amounts in respect of pension costs (2021: £Nil).

No staff received remuneration in excess of £60,000 per annum (2021: £Nil).

Included in the above are redundancy payments of £4,801 (2021: £348) made in relation to two staff posts no longer required due to workload changes, and a termination payment of £25,000 made during the year to one staff member (2021: £30,000). All such payments are recognised when legal agreement is reached.

No remuneration was paid to Trustees for their role as Trustees. Travel expenses of £876 were reimbursed to Trustees during the year (2021: £nil) for Board meeting attendance. £467 was paid on behalf of Trustees to third parties for training or accommodation (2021: £nil). Payments of £494 were made to three Trustees for lectures (2021: £160 to one Trustee). Remuneration of close family members of Trustees totalled £403 (2021: £nil) for teaching and staff accommodation.

During the year the College had transactions with South West Youth Ministries, and with Bransgore Community Church, charities with which it shares a Trustee. The College received income of £13,045 and £15 respectively (2021: £3,840 and £75), and incurred expenses of £53,694 and £141 respectively (2021: £59,312 and £nil). There were no balances outstanding at year-end (2021: £nil). These transactions were carried out at an 'arm's length' basis. The Trustees received no benefit for the transactions.

Remuneration (inc employer NI & pension) of key management totalled £444,440 for 9 posts (2021: £390,462 for 8 posts).

Remuneration (inc employer NI & pension) of close family members of key management totalled £40,833 (2021: £36,865).

During the year, payments totalling:

£601 were received from, and £nil made to, Christchurch Baptist Church of which David McLellan is a trustee (2021: £140 received, £nil made).

£nil were received from, and £3,000 made to, Evangelical Alliance of which David Hilborn is a trustee (2021: £nil received, £128 made). The £3,000 was repayment of a grant that could not be used by the College.

£35,040 were received from, and £2,500 made to, Wycliffe Bible Translators (UK) of which Ian Kirby is a trustee (2021: £52,212 received, £5,116 made).

£40 were received from, and £40 made to, Sunnyhill Church of which Matt Mellor is a trustee (2021: £nil received, £65 made).

£nil, £50 and £50 were made resp to Cedarwood, Faithworks Wessex and Truth Be Told, of which Karen Todd is a trustee (2021: £500, £64 and £50).

£2,318 were made to Simplicate of which Karen Todd is a director (2021: £6,853).

The average weekly number of employees was:

| | | 2022 | | 2021 | |
|----------|-----------|--------|----------------|--------|----------------|
| | | Actual | FTE equivalent | Actual | FTE equivalent |
| Academic | Full time | 10 | 9.6 | 11 | 10.5 |
| | Part time | 32 | 8.1 | 26 | 8 |
| Support | Full time | 7 | 6.3 | 7 | 6.7 |
| | Part time | 20 | 9.8 | 20 | 11 |
| Total | Full time | 17 | 15.9 | 18 | 17.2 |
| | Part time | 52 | 17.9 | 46 | 19 |
| Overall | Total | 69 | 33.8 | 64 | 36.2 |

The above employee numbers exclude Students and Guest Lecturers who have been employed on a temporary basis during the year, however the related payroll costs are included in the above staff costs.

MOORLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

5 TANGIBLE FIXED ASSETS

| | Land | Freehold Buildings | Equipment | Total |
|-------------------------|----------------|-----------------------|----------------|------------------|
| | £ | £ | £ | £ |
| COST: | | | | |
| at 30 June 2021 | 282,299 | 5,303,878 | 636,856 | 6,223,033 |
| Additions | - | 58,919 | 12,227 | 71,146 |
| Disposals | - | - | (34,711) | (34,711) |
| at 30 June 2022 | <u>282,299</u> | <u>5,362,797</u> | <u>614,372</u> | <u>6,259,468</u> |
| DEPRECIATION: | | | | |
| at 30 June 2021 | - | 1,042,820 | 539,042 | 1,581,862 |
| Charge for the year | - | 53,609 | 38,715 | 92,324 |
| Eliminated on disposals | - | - | (34,084) | (34,084) |
| at 30 June 2022 | <u>-</u> | <u>1,096,429</u> | <u>543,673</u> | <u>1,640,102</u> |
| NET BOOK VALUE: | | | | |
| at 30 June 2022 | <u>282,299</u> | <u>4,266,368</u> | <u>70,699</u> | <u>4,619,366</u> |
| at 30 June 2021 | <u>282,299</u> | <u>4,261,058</u> | <u>97,814</u> | <u>4,641,171</u> |

All of the assets are used for charitable purposes.

6 DEBTORS

| | 2022 | 2021 |
|------------------|---------------|----------------|
| | £ | £ |
| Fees outstanding | 64,304 | 94,284 |
| Prepayments | 26,534 | 31,013 |
| Other debtors | 3,267 | 23,501 |
| | <u>94,105</u> | <u>148,798</u> |

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 | 2021 |
|---------------------------|----------------|----------------|
| | £ | £ |
| Fees in advance | 14,290 | 19,979 |
| Trade Creditors | 50,407 | 42,008 |
| Deferred income (Grants) | - | 75,000 |
| Taxes and social security | 35,003 | 36,753 |
| Accruals | 28,743 | 33,055 |
| Holiday pay accrual | 34,919 | 39,000 |
| | <u>163,362</u> | <u>245,795</u> |

| | | |
|---|---------------|---------------|
| <u>Movement on Deferred Income (Fees in advance):</u> | 2022 | 2021 |
| | £ | £ |
| Deferred income brought forward | 19,979 | 7,019 |
| Income released in the year | (15,484) | (2,539) |
| Income deferred in the year | 9,795 | 15,499 |
| Deferred income carried forward | <u>14,290</u> | <u>19,979</u> |

| | | |
|--|----------|---------------|
| <u>Movement on Deferred Income (Grants):</u> | 2022 | 2021 |
| | £ | £ |
| Deferred income brought forward | 75,000 | 50,000 |
| Income released in the year | (75,000) | (50,000) |
| Income deferred in the year | - | 75,000 |
| Deferred income carried forward | <u>-</u> | <u>75,000</u> |

MOORLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

8 RECONCILIATION ON MOVEMENTS OF FUNDS

For the year ended 30 June 2022

| | At 1 July 2021 | Income | Expenditure | Transfers | At 30 June 2022 |
|--------------------------------------|-------------------|-----------|-------------|-----------|--------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted Funds | | | | | |
| General fund | 488,972 | 1,673,664 | (1,754,857) | (94,822) | 312,957 |
| Designated funds | | | | | |
| Contingency Fund | 186,300 | - | - | - | 186,300 |
| Cyclical Refurbishment & Maintenance | 205,913 | - | (17,284) | (13,088) | 175,541 |
| Building Fixed Assets | 4,543,356 | - | (53,608) | 58,919 | 4,548,667 |
| Equipment Fixed Assets | 97,814 | - | (38,788) | 11,672 | 70,698 |
| | 5,033,383 | - | (109,680) | 57,503 | 4,981,206 |
| Total unrestricted funds | 5,522,355 | 1,673,664 | (1,864,537) | (37,319) | 5,294,163 |
| Restricted funds | | | | | |
| New Projects Fund | 5,801 | 175,716 | (156,265) | 50,573 | 75,825 |
| Student Bursary Fund | 57,808 | 5,695 | (12,960) | - | 50,543 |
| Student Hardship Fund | 4,381 | 4,829 | (7,526) | - | 1,684 |
| Brenda Brady Bursary Fund | 13,779 | 2,422 | (12,315) | - | 3,886 |
| Misc. Other Restricted Funds | 22,644 | 110,933 | (98,105) | (13,254) | 22,218 |
| Total restricted funds | 104,413 | 299,595 | (287,171) | 37,319 | 154,156 |
| Total funds | 5,626,768 | 1,973,259 | (2,151,708) | - | 5,448,319 |

For the year ended 30 June 2021

| | At 1 July 2020 | Income | Expenditure | Transfers | At 30 June 2021 |
|--------------------------------------|-------------------|-----------|-------------|-----------|--------------------|
| | £ | £ | £ | £ | £ |
| Unrestricted Funds | | | | | |
| General fund | 450,363 | 1,918,344 | (1,757,184) | (122,551) | 488,972 |
| Designated funds | | | | | |
| Contingency Fund | 186,300 | - | - | - | 186,300 |
| Cyclical Refurbishment & Maintenance | 213,153 | - | (16,979) | 9,739 | 205,913 |
| Building Fixed Assets | 4,500,619 | - | (47,524) | 90,261 | 4,543,356 |
| Equipment Fixed Assets | 110,180 | - | (49,291) | 36,925 | 97,814 |
| | 5,010,252 | - | (113,794) | 136,925 | 5,033,383 |
| Total unrestricted funds | 5,460,615 | 1,918,344 | (1,870,978) | 14,374 | 5,522,355 |
| Restricted funds | | | | | |
| New Projects Fund | 32,298 | 51,380 | (77,877) | - | 5,801 |
| Student Bursary Fund | 42,729 | 26,286 | (11,207) | - | 57,808 |
| Student Hardship Fund | 8,196 | 15,426 | (19,241) | - | 4,381 |
| Brenda Brady Bursary Fund | 23,969 | 850 | (11,040) | - | 13,779 |
| Misc. Other Restricted Funds | 39,366 | 237,919 | (240,267) | (14,374) | 22,644 |
| Total restricted funds | 146,558 | 331,861 | (359,632) | (14,374) | 104,413 |
| Total funds | 5,607,173 | 2,250,205 | (2,230,610) | - | 5,626,768 |

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2022

8 RECONCILIATION ON MOVEMENTS OF FUNDS (continued)

The funds shown on the previous page have the following purposes:

Unrestricted Funds:

General Fund - available for the general operation of the College's main activities

Designated funds:

Contingency Fund – to support the General Fund in the event that income declines.

Cyclical Refurbishment & Maintenance Fund – to fund ongoing building refurbishment and maintenance.

Building Fixed Assets – holds fixed assets arising from capitalisation of land and building assets.

Equipment Fixed Assets – holds fixed assets arising from capitalisation of plant, equipment and vehicles.

Restricted Funds:

New Projects Fund – held for new specific building or equipping projects.

Student Bursary Fund – held for bursary funding of student tuition fees.

Student Hardship Fund – held to provide financial hardship support for students.

Brenda Brady Bursary Fund – held for funding needs of student body or individuals.

Miscellaneous Other Restricted Funds – held for various specific purposes as received.

The fund transfers indicated on the previous page are explained as follows:

From General Fund to Designated Funds:

Transfer of surplus funds from operations: £40,000 to Cyclical Refurbishment & Maintenance (2020/21: £100,000).

Net capitalisation of fixed assets purchased in the year, and transferred to the designated fund for Equipment Fixed Assets: £4,249 (2020/21: £22,551).

From General Fund to Restricted Funds:

Transfer to New Projects Fund to cover those staffing and operational costs which are not covered by restricted income and are being charged instead to the General Fund: £50,573 (2020/21: £nil).

Between Designated Funds:

Capitalisation of fixed assets purchased under Cyclical Refurbishment & Maintenance and transferred to the designated fund for Building Fixed Assets: £53,088 (2020/21: £90,261).

From Restricted Funds to others:

Capitalisation of fixed assets, purchased from Misc Other Restricted Funds, and transferred to the designated funds for Equipment Fixed Assets: £7,423 (2020/21: £14,374) and Building Fixed Assets: £5,831 (2020/21: £nil).

MOORLANDS COLLEGE

NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 June 2022

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| 2022 | Unrestricted Funds | | | |
|--------------------------|--------------------|------------------|----------------|------------------|
| | General | Designated | Restricted | Total |
| | Fund | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Fixed assets | - | 4,619,366 | - | 4,619,366 |
| Cash at bank and in hand | 362,920 | 361,840 | 150,862 | 875,622 |
| Stock | 22,588 | - | - | 22,588 |
| Debtors | 90,811 | - | 3,294 | 94,105 |
| Creditors | (163,362) | - | - | (163,362) |
| | <u>312,957</u> | <u>4,981,206</u> | <u>154,156</u> | <u>5,448,319</u> |

| 2021 | Unrestricted Funds | | | |
|--------------------------|--------------------|------------------|----------------|------------------|
| | General | Designated | Restricted | Total |
| | Fund | Funds | Funds | Funds |
| | £ | £ | £ | £ |
| Fixed assets | - | 4,641,171 | - | 4,641,171 |
| Cash at bank and in hand | 492,250 | 392,212 | 178,341 | 1,062,803 |
| Stock | 19,791 | - | - | 19,791 |
| Debtors | 144,697 | - | 4,101 | 148,798 |
| Creditors | (167,766) | - | (78,029) | (245,795) |
| | <u>488,972</u> | <u>5,033,383</u> | <u>104,413</u> | <u>5,626,768</u> |

10 LEASES

Operating lease charges for the year were £1,606 (2021: £1,606). At 30 June 2022, the College had total future minimum payments under non-cancellable operating leases as:

| | Land & buildings | | Other | | As at 30 June 2021 | |
|---------------------|------------------|--------------|----------|--------------|--------------------|--------------|
| | £ | £ | £ | £ | £ | £ |
| within 1 year | - | 1,606 | - | 1,606 | - | 1,606 |
| within 2 to 5 years | - | - | - | 1,605 | - | 1,605 |
| after 5 years | - | - | - | - | - | - |
| | <u>-</u> | <u>1,606</u> | <u>-</u> | <u>3,211</u> | <u>-</u> | <u>3,211</u> |

11 CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2022 (2021: £nil).

12 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2022 (2021: £nil).