

SPURGEONS COLLEGE

England & Wales · Charity number 1096721

Details

Status Registered

Legal form Charitable company

Company number [04418151](#)

Registered 2003-03-26

Register [View on the Charity Commission register](#)

Contact

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5 Temple Square
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Activities

Objects: THE CHARITY'S OBJECTS ("THE OBJECTS") ARE TO ADVANCE THE CHRISTIAN RELIGION IN ACCORDANCE WITH THE BELIEFS AND PRACTICES OF BAPTISTS AND THE INTERPRETATION OF SUCH BELIEFS AND PRACTICES USUALLY CALLED EVANGELICAL, IN PARTICULAR THROUGH THE PROVISION OF EDUCATION, TRAINING, VOCATIONAL PREPARATION AND SUPPORT TO CHRISTIANS FOR MISSION AND MINISTRY.

Activities: To advance the Christian religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices usually called evangelical, in particular through the provision of education, training, vocational preparation and support to Christians for mission and ministry.

Classification

- **How:** Provides Services
- **What:** Education/training, Religious Activities
- **Who:** Other Defined Groups

Geography

- Area of benefit: NATIONAL
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31		-	-	-
2024-07-31	£1,112,055	£3,351,256	£6,698,919	52
2023-07-31	£1,241,780	£3,300,823	£7,316,632	51
2022-07-31	£1,192,055	£2,298,993	£8,865,205	52
2021-07-31	£1,873,622	£2,290,923	£9,136,090	56
2020-07-31	£1,323,359	£1,916,951	£1,927,770	47

Trustees

Name	Role	Appointed
Charmaine Mhlanga		2021-01-14
Helen Stokley		2025-07-10
Michael White		2019-11-19
Neil Anthony Sherringham		2019-02-01
Rev Jonathan Page Edwards		2019-04-01
Stuart Davison		2015-07-23

Linked charities

- THE FALKLANDS PARK TRUST (1096721-1)

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England & Wales - Charity number 1096721

Accounts



REPORT OF THE GOVERNORS
and
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st July 2024

Company number: 04418151

Charity registration number: 1096721

Registered office:
189 South Norwood Hill, London SE25 6DJ

Website: www.spurgeons.ac.uk

SPURGEON'S COLLEGE

Registered charity no. 1096721

**Incorporating trust property held in connection with Spurgeon's
College registered charity no. 312888 and Falkland Park Trust
registered charity no. 1096721-1**

REPORT OF THE GOVERNORS and FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31st JULY 2024**

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SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2024

REFERENCE AND ADMINISTRATIVE DETAILS

Spurgeon's College is a company limited by guarantee registered in England and is also a charity registered with the Charity Commission. The governors are both the directors of the company and trustees of the charity.

Company registration number 04418151

Charity registration number 1096721

Registered office Spurgeon's College
189 South Norwood Hill
London SE25 6DJ

Governors Rev'd Stuart Davison (*Vice-Chair*)
Prof Sir Leslie Ebdon (*Chair, acting treasurer 16 Jul to 30 Oct 2024*)
Rev'd Jonathan Edwards
Mrs Joanne Gale
Mrs Charlotte Kirby-Thomson
Mr David Locke (*Treasurer*) – to 15th July 2024
Rev'd Prof Philip McCormack (*Principal*)
Ms Charmaine Mhlanga (*Student governor*)
Mr Neil Sherringham
Pastor Michael White

Senior staff Rev'd Prof Philip McCormack (*Vice-Chancellor and Principal*)
Rev'd Helen Stokley (*Deputy Vice-Chancellor and Chief Operating Officer*)
Rev'd Dr Stephen Wright, (*Vice Principal – Academic Director*) – to 31st August 2023
Dr Robert Keay (*Academic Director*) – from 1st August 2023 to 31st July 2024
Rev'd Dr Seidel Abel Boanerges (*Dean of Ministerial Formation*)

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Principal advisers

Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Bankers	NatWest Bank 1 High Street Croydon Surrey CR9 1PD
Auditors	Moore Kingston Smith LLP 6 th Floor 9 Appold Street London EC2A 2AP
Investment Managers	Rathbones 159 New Bond Street London W1S 2UD
Independent Financial Advisers	AW Financial Management LLP The Old Exchange 3 London Road Farningham Kent DA4 0JP

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REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2024

GOVERNORS' ANNUAL REPORT

The governors have pleasure in presenting their report and the financial statements of Spurgeon's College for the year ended 31st July 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Structure, Governance and Management

Governing document

Spurgeon's College is governed by its Articles of Association as adopted by Council on 18th June 2020.

The members of the charity are the members of the Council. In the event of the College winding up, each member of the Council undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the College, all remaining assets shall be given or transferred to another charity having the same or similar objects to the College in accordance with charity law.

The College occupies land and buildings in South Norwood, London. These, including a residential property, are owned by the Falkland Park Trust (Charity No: 1096721-1, previously Charity No: 1017769). Under a Charity Commission Scheme dated 13th February 2003, the company (Spurgeon's College) became sole Corporate Trustee of the Falkland Park Trust.

On 29th April 2019 Spurgeon's College Development Limited was incorporated as a wholly owned subsidiary of Spurgeon's College. The company has been dormant since incorporation and will be used for future College development projects.

Validation and regulation

In the academic year 2023-24 the College successfully exercised the awarding and validating powers granted to by the Office for Students (OfS) the regulator for Higher Education in England. Spurgeon's College is the first theological college in the UK to achieve Full Taught Degree Awarding Powers (TDAPs). TDAPs is seen to offer confirmation of reputation (the most precious commodity in higher education), greater autonomy, flexibility, leadership and economic benefits.

In 2021 the OfS relaunched the Teaching Excellence Framework or TEF with submission expected by January 2022. As a new degree awarding authority, Spurgeon's made a TEF submission. On 28 September 2023, the results were announced, and Spurgeon's received a Triple Gold award, the highest accolade possible. It also placed in the top 26 universities and colleges in the UK who have been awarded triple TEF Gold. The TEF is a national scheme run by the Office for Students that aims to encourage higher education institutions to improve and deliver excellence in the areas that students really care about: teaching, learning and achieving positive outcomes from their studies. The TEF does this by assessing and rating universities and colleges for excellence above a set of minimum requirements for quality and standards. In one year, Spurgeon's moved from receiving Full Degree Awarding Powers to securing a

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triple Gold rating in the Teaching Excellence Framework. The College has this Triple Gold award for four years.

In the academic year 2023-2024 Spurgeon's introduced its new undergraduate degree (BA in Theology) validated exercising its new powers. This included offering its new BA via Distance Learning. The College also brought its five postgraduate programmes under its own validation authority. In addition, the College also validated: The Professional Certificate in Ministerial Formation and The Foundation Year (Year Zero), which is the first year of our four-year BA in Theology (Hons) that prepares students for degree-level study in Theology. The College successfully designed and validated a BSc in Counselling in May 2024. This degree programme meets the requirements as set out in the Scope of Practice and Education (SCoPEd) framework. Successful graduates from this BSc will have the wide range of skills, knowledge, training and experience required of professional counsellors as defined in SCoPEd. The College also successfully validated a range of short courses that qualify as micro-credentials. It is still the intention to design and validate two new undergraduate courses, in the humanities and social sciences, each year. A major focus in the academic year 2024-25 will be the design and validation of a new Master of Arts degree in Transformational Church Leadership. This project is being developed in partnership with our Chancellor, Pastor Rick Warren and will form part of the academic element in the global network of Finishing The Task.

The power to validate other institutions is an important component in the TDAP powers granted to the College. The academic year 2023-24 was the first year of the Irish Baptist College (IBC) operating under a formal validation agreement with Spurgeon's College. Approximately 90% of IBC's students transferred onto a Spurgeon's validated degree programme from the former university validator. In the end of year report from the College's Link Tutor to the IBC it noted that, 'While the college has received excellent commendation from recent QAA reviews, the policy and regulation regime as a validated partner of Spurgeon's is more rigorous and demanding than with the previous university affiliation. IBC is adjusting well to the new requirements.' This illustrates Spurgeon's commitment to the highest quality standards and the professional exercise of its new powers. A number of institutions have approached the College to initiate conversations about validation or franchise agreements. As a degree awarding authority, Spurgeon's College is actively assisting in securing the provision of theological education in the UK at university level, which could be strategically important.

Spurgeon's College continues to 'teach-out' programmes that have students on validated programmes of the University of Manchester and Liverpool Hope University. It is an approved partner of the Institute of Pastoral Counselling and is an approved teaching centre for the Counselling and Psychotherapy Central Awarding Body or CPCAB.

Spurgeon's College is regulated by the Office for Students (OfS) and subscribes to the Higher Education Statistics Agency (HESA), which collects, processes and publishes data about higher education in the UK, and the Office of the Independent Adjudicator (OIA), the independent body set up to review student complaints.

The College is also a member college of the Baptist Union of Great Britain, and a member of the Evangelical Alliance and the Micah Network.

Organisational structure and decision making

The management of the College is vested in the Board of Governors. The governors are directors of the company limited by guarantee and trustees of the charity. The Board meets on

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at least four occasions each year and is responsible for delivery of the College's charitable objects, setting the strategic direction and upholding the values of the College.

The Council is the body to whom the governors are accountable. The Council also provides advice, acts in advocacy for the College and appoints the governors. The Council comprises:

- up to twelve members appointed by the current members of the College Conference (former students);
- for each of the London, Eastern and South Eastern Baptist Associations, up to four members, including one Regional Minister and up to three Lay Members who are interested in furthering the work of the College, appointed by the directors of the Associations;
- up to three representatives of the Particular Baptist Fund appointed by the Managers of the Fund;
- the governors;
- the Deputy Vice-Chancellor, the Academic Director and Dean of Ministerial Formation;
- up to six members of College staff including three tutorial staff and three other members of staff;
- one representative of the Baptist Union of Great Britain appointed by its trustees;
- one representative of BMS World Mission appointed by its trustees;
- up to three representatives of the student body;
- up to three people co-opted by the Governors in liaison with ecumenical bodies in South London; and
- up to four other people co-opted by the Governors.

The Board of Governors is assisted in its work by a number of advisory committees formed of governors, Council members, College supporters and members of staff. The Board sets the terms of reference for each committee, which are reviewed regularly, and appoints committee members with relevant expertise and experience. The advisory committees meet as and when required, provide minutes of each meeting to the governors, and also report on their activities to the annual general meeting of the Council.

The advisory committees are as follows:

- Buildings Group – provides advice and assistance on all matters concerning the College properties;
- Marketing, PR and Income Generation Group – provides advice and assistance on all matters concerning income generation, including recruitment, and promotion of the College activities;
- Equality, Diversity and Inclusion Monitoring Group - advises on matters relating to equality, diversity and inclusion issues and ensures compliance with the law and best practice;
- Finance Committee - provides advice and assistance on all matters concerning the College finances;
- Audit & Risk Committee – provides advice and assistance on all matters concerning risk management and audit;

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- Governance Group – provides advice and assistance on all matters concerning governance;
- Nominations Group - provides advice on the selection of new governors;
- Academic Board – oversees the courses, standards and outcomes of the courses offered throughout the College;
- Access and Participation Monitoring Group – monitors and evaluates the implementation of the College's Access and Participation Plan.

The Academic Board is the body entrusted by the governors with overseeing the educational work of the College. The members during the year ended 31st July 2024 were as follows:

- Rev'd Prof Philip McCormack, Principal* (Chair);
- Katie Walsh* (Senior Registrar), Rev'd Dr Stephen Wright* (Academic Director) – to 31st August 2023, Dr Robert Keay* (Academic Director – from 1st August 2023 to 31st July 2024, Rev'd Dr Seidel Abel Boanerges*, Rev'd Dotha Blackwood*, Mr Rob Bradshaw*, Dr Thomas Breimaier (to 12th February 2024)*, Linda Campbell*, Adrian Lock, Laura Lock, Dr Debra Reid*, Dr Zoltan Schwab*, Revd Dr Pete Phillips*, Dr Jonas Kurlberg*, Deborah Waweru-McDowall, Revd Dr David McLachlan (from 29th July 2024);
- Representing the associate and online tutors: Revd Simon Jones*, Dr Terry Wright*, Jo Dowds*
- Representing the College of Preachers: Rev'd Dominic Robinson;
- Counselling course leader: Rev'd Martin Stokley;
- Representing the Governors: Prof Sir Les Ebdon;
- Representing the Council and also wider academic life: Christine Dunmow;
- Representing wider academic life: Prof. James Carpenter; Prof. Geoffrey Cook; Prof. Jerry Forrester; Dr Trevor Stammers and Prof. Andrew Thomason;
- Three representatives of undergraduate students (from different pathways) and up to three representatives of postgraduate students (from different pathways).

*Denotes members of staff who are remunerated for their service relating to the teaching and administrative activities of the College rather than in their role as members of the Academic Board.

The Board delegates the management of all operational, financial and academic matters to the Vice-Chancellor/Principal who in turn delegates relevant activities to the Senior Management Team (SMT) of the College, who are the Heads of Departments: the Deputy Vice-Chancellor/Chief Operating Officer; the Academic Director; and the Dean of Ministerial Formation.

The SMT are invited to attend each Board meeting and are required to provide a report detailing the activities of their departments to inform Governors of their oversight of each department.

Governor recruitment and appointment

The Board of Governors comprises not less than nine and not more than 13 members. The quorum for the transaction of the business is the greater of one third of the governors or three.

At every annual general meeting one-third, or the number nearest to (but not greater than) one third of the governors (other than the Principal (ex-officio) and Student Governor (appointed

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by the governors)) retire from office but are eligible for re-appointment by the Council members. Governors, other than the Principal and Student Governor, are normally appointed for a term of three years. They serve for no more than nine years unless the governors exceptionally resolve to permit a further term for no more than one governor at a time. The Student Governor is appointed for a term of one year renewable for further periods of one year up to a maximum of four years.

The Board of Governors has the power to co-opt new governors but those co-opted have to stand for election at the following annual general meeting. Co-options are made on the recommendation of the Nominations Group whose members review the skills matrix of the Board and role descriptions, and identify suitable candidates for appointment to the Board. Candidates are recruited from direct approaches, recommendations and referrals, and by advertising, as appropriate. The Board endeavours to reflect the diversity of the student body in its own composition, ensuring there is diversity of gender, age, ethnicity and denominational allegiance. Potential new governors meet the Nominations Group to discuss the role requirements.

Following appointment, all new governors are issued with a Governance Handbook and other appropriate documentation. Guidance is given on the roles and responsibilities of being a charity trustee and governor, and on the College's governance structure. Meetings with key College personnel are arranged.

Remuneration

The governors are committed to ensuring a balance between paying staff to attract and retain the best people for the job and careful management of charitable funds.

In determining the remuneration paid to academic staff, the governors are cognisant of the remuneration given to those working in similar roles in other theological and Bible Colleges, and to ministers in the Baptist Union. Where possible, remuneration attached to jobs in support functions is benchmarked against similar jobs in the local jobs market. Cost of living increases may be awarded annually to all staff on the basis of a recommendation from the Finance Committee in the context of the annual budget setting process, following consideration of the increase in Retail and Consumer Price Indices and the College's financial position.

Appointment of Chancellor and his work

In April 2023, the College installed Pastor Rick Warren as its first honorary Chancellor. The Chancellor acts as the ceremonial figurehead of the College, with formal responsibilities. Dr Warren is the founding pastor of Saddleback Church in California and author of the best-selling *The Purpose-Driven Church* and *The Purpose-Driven Life*. As Chancellor, Pastor Warren will play a key role in supporting the vision of the College to train men and women for Christian mission, ministry and leadership in the contemporary world. Through his global reach, Pastor Warren reaches millions of people every day with a message of Christian hope. Since his appointment, Pastor Warren has been the international ambassador of Spurgeon's and has publicly promoted the College when speaking to gatherings of tens of thousands of pastors and ministers in multiple countries and on three continents. Chancellor Warren is personally involved in the College's fundraising / vision campaign which will be launched by November 2024. As part of his commitment he has recorded a number of videos explaining the detail of the fundraising campaign.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2024

Objectives and activities

Objects

The College's charitable objects are to advance the Christian religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices usually called evangelical, in particular through the provision of education, training, vocational preparation and support to Christians for mission and ministry.

Our Mission

To train men and women for Christian mission, ministry and leadership in the contemporary world.

Our Vision

The College draws its vision from three sources:

- a. *A confessional foundation* – established by CH Spurgeon in 1856 as the Pastors' College, Spurgeon's College is a Christ-centred, evangelical college in the Baptist tradition, engaged in biblical and theological education;
- b. *A formative ethos* – this flows from our life as a community that meets daily for worship, where preparation for Christian service is enriched by the practice of gathering daily as a community to glorify God, who is Father, Son and Holy Spirit;
- c. *A geographical location* – the College is intentionally London based, with a national focus and a global reach.

The College Vision, approved in 2018 is:

- To cultivate a creative learning environment allowing every student to develop spiritually, academically, emotionally and socially;
- To deliver a relevant, structured curriculum tailored to training men and women for mission, ministry and leadership for all who wish to deepen their understanding of the Scriptures and theology;
- To develop the College's position, in the global and diverse city of London, as a research-led, experience-based, centre of excellence delivering positive outcomes for students;
- To maintain the highest professional and ethical standards in every area of College life.

Work has commenced on drafting the next iteration of our Vision.

Our Values

As a Christian Higher Education Theological College our values are directly drawn from and aligned with biblical principles, in particular:

- We believe in the inherent moral equality, dignity and worth of every individual;
- We value the unique distinctiveness of each member of the College community;
- We celebrate the richness of being a diverse and inclusive community;

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- We believe that as a community meeting daily for worship we must be careful to listen to God and discern his will and purpose;
- We will promote the general wellbeing of all members of the student community and College staff;
- We are committed to assisting every student in reaching their potential.

The College's Values are consistent with and build upon 'The 7 principles of public life'¹ often referred to as the 'Nolan Principles.'

Students

The College's main activity is the provision of excellent education in a supportive environment, in particular training those called to Christian mission, ministry and leadership in the contemporary world is the provision of theological education and ministerial and practical training for Christian mission and ministry. Spurgeon's is a welcoming and inclusive community – we believe that all are created in God's image and loved by him, so we value each student and their unique contribution to the corporate life of the College.

Spurgeon's College continues to prepare candidates for ordination to Baptist ministry within the Baptist Union of Great Britain, and train pastors and leaders from other denominations. The College also includes students who are pursuing a theological education for its own merits in its diverse learning community, and this further enriches the life and experience of all community members. Since its foundation, over 5,000 churches worldwide have been served by Spurgeon's ministers and its trained ministers are active in over 35 countries. The College has also developed post-graduate provision for continuing ministerial development training and has a thriving post-graduate research community. It offers other accessible training packages for church members seeking to serve in lay capacities or pastoral supervision roles. The College's counselling provision continues to be considered a gold standard in the provision of counselling education in the South of England. The College has high hopes that the cutting-edge BSc in Counselling will see a strong cohort of students starting in September 2025.

Public benefit

The governors carefully consider the Charity Commission's guidance on public benefit in determining what work is done, and the guidance informs the College's aims, plans and activities. The governors take seriously their responsibility to offer high quality academic provision that also represents value for money to students and to taxpayers.

Those who benefit from the College's work directly are the students. Those who study and/ or train for ministry, both ordained and lay, and also, indirectly, those who worship in and benefit from the ministry of churches in the UK and around the world which are served by students and former students. Those who study to become professional counsellors and enrich their community through the skills they learn at Spurgeon's College.

The students benefit through:

- Enhanced knowledge and skills;
- Academic and professional study and qualifications;

¹ See <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

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- Broadened perspectives on faith and the world;
- Deeper and stronger personal spirituality gained from living, studying and worshipping in a Christian community.

The benefit to the general public comes through:

- Leadership by properly trained and equipped ordained ministers, lay leaders and counsellors of churches which are open for public worship;
- Leadership of and involvement in Christian charitable and social action work by current and former students of the College who have been motivated, inspired and equipped by their courses at College.

The governors ensure the courses at Spurgeon's College are designed for those who seek to further their knowledge of Christian theology or train for Christian ministry and train to become counsellors. Whilst the College is part of the Baptist Union of Great Britain, a wide variety of church traditions are represented within the student body and the content of the courses offered reflects this diversity.

The College's *Access and Participation Plan 2020-21 to 2024-25* is a public document that demonstrates our commitment to fair access and opportunity. The information from the College's HESA data clearly shows the diversity of the student population:

- Indices of Multiple Deprivation (IMD) quintiles 1 and 2: 36.4%
- Free School Meals eligibility: 50%
- TUNDRA (Tracking underrepresentation by area) quintiles 1/2: 23.7%
- White 52.6%, Black 35.0%, Asian 6.3%, Mixed 3.1%, Other 1.9%
- 31 years and over on entry: 79.8%

The approach taken by the College to fair access and opportunity is informed and shaped by data to ensure that every student has the best chance of academic success. In the 2023-2024 academic year the College worked with senior members of the New Testament Church of God to design and develop a Foundation degree for its members and leaders.

Fees are set at rates which are appropriate bearing in mind similar courses offered by other Baptist and Bible colleges and centres delivering counselling courses. All courses are subsidised as the income from fees is less than the cost of providing courses. Donations and legacies from supporters, income derived from use of properties and assets, and investment income, all contribute to the subsidy.

Students who are training for the Baptist ministry have access to the Baptist Union Bursary Fund. They and other students have access to bursary funds administered by the College and to grants from charitable trusts. The College is active in ensuring that students with financial needs have information about raising money to fund their training and are able to apply for bursaries.

Civic contribution

As a higher education institution with the same powers as any UK university to create, validate and offer academic degrees, the College has consciously worked to develop the civic role it quietly plays in the local life of Croydon. During the Covid-19 pandemic, the College became aware of a community lunch club, serving senior citizens with specific needs, which had been

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31ST JULY 2024

made homeless. For the last three years the College has hosted the lunch club two days per week, free of charge, with lunch club staff using the College's industrial class kitchen facilities to prepare and cook hot meals for their clients. The two distinct groups that form the lunch club look forward to their weekly visit to the College and students on a ministerial track have enjoyed their interaction with a wonderful group of people from the local community.

The College's proactive engagement with local community groups resulted in it becoming aware of Amity Youth Development, a community organisation working with young people aged 17 – 30 who live in the London and Greater London Region. Amity supports young people by helping them to enter into employment, education or training. The College continues to provide Amity with an office and classroom within its main educational facility to use. To date, scores of young people have been trained by Amity at Spurgeon's and have gone into employment or further education.

One of the main civic contributions the College quietly makes to the community in Croydon and more widely across the UK, is the work its ministers in training do within their local communities through their ministerial placements in local churches. In the financial year to 31st July 2024, over 50 ministerial students from Spurgeon's worked as ministers in training in local churches, often as the sole minister. The impact of this ministry upon local communities is often immense. Many churches run foodbanks and provide vital community support to the most marginalised within those communities. The academic and theological studies undertaken by the College's ministers in training is put into practice in scores of villages, towns and cities across the country. College staff actively deliver placement support for ministers in training and ensure that both the student and the local church is supported.

The College has continued to work closely with the Borough Council of Croydon in 2023-2024. The VC had multiple meetings with Council Officers to identify the educational provision required for the residents of Croydon and the needs of employers seeking graduate employees. One specific educational track explored in these meetings was the potential for a BA degree in Business and Public Administration. Council Officers had identified a recruitment issue faced by the Borough Council, as well as other councils, of attracting suitably qualified and experienced staff across the breadth of its work. The College will continue to explore this potential educational offer in the academic year 2024-2025.

Additional public interest governance principles

The governors monitor good practice within both the charity and Higher Education sectors. This means that Spurgeon's College is seeking to align its governance processes, in regard to Higher Education, with the current guidance from the Committee of University Chairs contained in The Higher Education Code of Governance². The governors are satisfied that adequate and effective measures are in place to ensure that when the College is in receipt of public funds they are appropriately used, in line with the conditions of the grant and the principles of regularity, propriety and value for money to protect the interest of taxpayers and consistent with its Charitable objects.

² See <https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf>

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31ST JULY 2024

Volunteers and Donors

The College's work is supported by a number of volunteers whose contribution is invaluable and underpins the success of the College. In addition to those involved with the College's governance, volunteers assist with the Library, with the Learning Enhancement Department, with church placements, and in various administration support roles.

In its 168-year history, the College has benefited from the generosity of its supporters and donors. The College has remained faithful to the desire of its founder Charles Spurgeon that it should live by faith. The many small and large donations both encourage and practically help the College to remain faithful to its mission and vision and the governors wish to acknowledge the kindness of its stakeholders, friends and supporters.

Strategic report

In academic year 2023-2024 the Trustees discussed the following objectives:

- a. To apply for and achieve Research Degree Awarding Powers from the Office for Students.
- b. To secure 'indefinite' Taught Degree Awarding Powers.
- c. To ensure that we have the College has 55 per cent of the total number of full-time equivalent students, of which at least 50 per cent must be on courses at Level 6 or above on the Framework for Higher Education Qualifications so that it can apply for university title.
- d. To provide excellent and continually improving levels of teaching, formation, learning and resources for all students, in every subject area, and to enhance the student learning experience.
- e. To encourage and facilitate access and participation in Higher Education, through the award of 10 bursaries per year.
- f. To develop a school and community outreach programme, utilizing our connections with our existing and new partnerships, to encourage young people from all backgrounds to consider Higher Education.
- g. To foster relationships with the growing church, especially in relation to the growing Black, Asian and Minority Ethnic (BAME) movements in London and the UK.
- h. The College will develop its capacity to resource the churches locally in London, nationally across the United Kingdom and internationally (when resources permit).
- i. To contribute to securing the provision of theological education in the UK at university level.
- j. To develop partnerships with international Universities and Theological Colleges.
- k. To foster and develop partnerships with international Baptist Associations and Unions.
- l. To deliver capital build projects that contribute to income generation and the research and Higher Educational objectives of Spurgeon's College.
- m. To develop and maintain a financial strategy that will deliver the College's objectives.

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REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2024

- n. To ensure that Spurgeon's College remains an attractive place to work, taking into consideration the work environment, housing, childcare, visas, pensions and salary.
- o. To deliver capital build projects that contribute to the research and Higher Educational objectives of Spurgeon's College.
- p. Create a policy and practice environment that is supportive of wellbeing, where responsibility for wellbeing is shared and owned by all in line with the values of the College.

These revised strategic objectives will be refined further in 2024-2025 and aligned with an agreed operating plan. The College's key performance indicators (KPIs) will be linked to both the strategic objectives and operating plan so that progress can be measured, monitored and evaluated.

Financial review

General (unrestricted) fund

The College recorded a deficit in 2023/2024 of £2,239,201 (2022/2023, £2,059,043), before gains on sale of assets realising £1,598,468 and gains on investments of £31,962.

The major income stream is the fees charged to students. The College continues to be thankful for the donations and legacies which also contribute to the College's income. The College continued to receive public funds from the Office for Students in the form of a teaching and learning grant. This has been recorded in other income with an explanatory note 2a. In the 2023/2024 period, 98% expenditure was on charitable activities and 2% on generating funds (2022/2023, 98% and 2% respectively). The College's operating costs remained consistent with the previous year, with staff working to ensure the College was best placed to meet the increased regulatory and reporting burden associated with the Office for Students and the application process for degree awarding powers.

Restricted and endowment funds

A range of restricted funds appear in the accounts, being money donated for specific purposes such as student support through bursaries and enhanced teaching facilities. The governors are grateful for income received that has supported a range of specific projects.

Total income for the year was £76,920 (2023: £78,318) and total expenditure was £76,411 (2023: £119,817); at the yearend total restricted funds were £781,198 (2023: £780,689). Total endowment funds at the yearend were £451,002 (2023: £431,015)

In July 2024 Spurgeon's College held £517,347 in its endowment portfolio, which constituted the entirety of the available endowment fund. The trustees resolved to borrow £125,000 releasing it from the endowment restriction and using the proceeds to further the purposes of the College. On repayment, which will be within 5 years, the funds will retain their original restrictions and be returned at the same value as July 2024.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2024

Investment policy

The College's investment portfolios are managed on a discretionary basis by investment managers. The investment objectives of the respective portfolios are set out in an investment policy statement, which also prescribes the ethical policies to be followed by the investment managers. Investments are managed to achieve a balanced return between income and capital growth, generating income for use for current purposes whilst maintaining the value of investments for the benefit of future students. The Finance Committee conducts a review meeting once a year with the investment managers and the independent financial adviser and reviews the performance of investments regularly.

Reserves policy and future prospects

In accordance with Charity Commission guidance, the governors monitor the level of funds held in unrestricted reserves, recognising the pressures caused by the imbalance between income and expenditure at certain times of the year. Whilst income fluctuates over the course of a College year, salaries and other regular monthly costs continue throughout the year. Given the annual shortfalls between College income and expenditure in recent years, it is also necessary to maintain reserves which can help fund shortfalls as and when they occur whilst the governors continue work to return General Fund income and expenditure after the receipt of donations to equilibrium.

The governors have determined that the optimum level of free reserves should be sufficient to cover six month's budgeted operational expenditure, which equals £1,587,000. This compares with the reported unrestricted free reserves of £232,793 as at 31st July 2024 – see Note 15 "Analysis of Net Assets by Fund" for Total Unrestricted Funds less Fixed Assets and related loan funding (Long Term Creditor). The reserves dipped below this in last financial year, in anticipation of the sale of the heritage asset, which was sold post year end for £1.6 million.

The College has been engaged in a development scheme on its main which will result in new academic facilities and infrastructure. A key component part of the business plan for the College is the diversification of income from the design and validation of new programmes, as noted earlier. The development scheme will see a substantial increase in the numbers of students the College can teach on-site in any one hour. The current infrastructure is at its maximum capacity and new lecture facilities are needed to enable the delivery of new programmes, which will see an increase in income from student fees. A full planning submission was submitted in July 2024.

Fundraising activity

The VC and DVC meet with an American Fundraising company called Dunham & Co in April 2024. In partnership with Dunham, a comprehensive fundraising (vision) campaign has been designed and is expected to be launched in autumn of 2024. As part of this vision campaign, our Chancellor, Pastor Rick Warren, has recorded a number of videos to explain to potential donors why the work of Spurgeon's is important for the church in the UK and around the world. We expect the Cases for Support to be sent to individual Christian philanthropists with the hope that the College will see a significant increase in donations in academic year 2024-2025 and in the following years.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2024

Going concern

The governors have evaluated the appropriateness of using the going concern basis of accounting and have considered possible events or conditions that could raise significant doubt about the charitable company's ability to continue as a going concern. The trustees have conducted this assessment for a period of at least 12 months from the date of approval of the financial statements.

The post-balance sheet events detailed at the end of the accounts (note 21 on page 39) explain that the net current liabilities at the year-end (£4,382,289 - 2 loans falling due for repayment within 12 months) were significantly improved by the repayment of most of the College's loans, which has greatly strengthened its long-term financial position. Additionally, the trustees have carefully reviewed the cash flow projections and the fundraising income required to sustain the College over the next 12 months. They are confident these targets can be achieved, particularly in light of the partnership formed after the year-end. Further details of this assessment can be found in note 1 on page 27.

After the year-end, the governors established a partnership with the Graham Dacre Charitable Foundation, which resulted in £5.4 million of Spurgeon's College loans being repaid. In addition, the Foundation is leading a broader fundraising campaign involving other high-net-worth individuals to support the College.

Based on this, the trustees have a reasonable expectation that the fundraising campaign will secure the resources needed to ensure the College's financial viability and long-term success, although they acknowledge the material uncertainty that exists with any fundraising campaign. Consequently, the governors continue to adopt the going concern basis in preparing the financial statements.

Principal risks, uncertainties and opportunities

The College has continued to implement a number of actions that resulted in a comprehensive governance review undertaken in November 2019. The Audit and Risk committee continues to function effectively and is embedded within the College's normal rhythm of operations. The introduction of three new middle managers within the Operations Department, as a consequence of the governance review, continues to yield the anticipated results, which have been and continue to be felt across the institution. To facilitate its strategic intention to assist in securing the provision of theological education, at university level, in the UK and to implement its programme of new degree creation, the College will seek to employ a Head of Validation.

Maintaining the wide variety of activities of the College is not without its challenges and the governors have sought to manage the risks of such a faith undertaking by identifying the areas of major potential risks as: the College's ongoing challenging financial position, where operating income is less than operating expenditure and the College is dependent on receiving charitable donations and legacies and generating income from other sources; failure to comply with legal requirements and OfS regulation; and the loss of key employees and inability to replace key staff effectively.

The College is vulnerable to a decline in student numbers at a time when church attendance is decreasing and congregations find it more difficult to afford to pay a minister, and the economic situation makes it harder for students to afford even the subsidised fees charged. Many independent theological and bible colleges are struggling to attract sufficient numbers of

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2024

students and are facing financial problems. The College's location in London with a growing and diverse church scene, its evangelical tradition, the TEF Triple Gold award enhancing its reputation for excellence, the variety of courses and modes of study offered, and the introduction of two new degree programmes each year will continue to help mitigate the risk of a decline in student recruitment.

As set out in the financial review section above, a considerable amount of work has been done to realise value from the College's site to ease the challenging financial position. The proposed major development will provide a one-off increase in reserves and provide the opportunity for the College to build new academic buildings. The new academic facilities will provide substantial increased capacity to increase student numbers on its expanding university offer. In this reporting period the College continued to make progress in refining its plan to develop the site to help secure the financial future of the College.

The College's development of the site at Arodene Road (formerly Raleigh Park Baptist Church) not only delivered a significant financial return but also a church hall, which came under ownership of the College in the May 2024. The College sold this hall in the autumn of 2024 for £500,000 generating income to support the College's operations.

The Governors are aware that the College compares well on cost per student in all areas other than regulation and compliance: due to the size of the student body, the cost of fees paid to regulatory bodies, staff costs in academic administration, regulation and compliance areas, and IT costs associated with these areas, is considerably higher per student than for other larger HE providers. This is a source of concern and every effort is made to operate efficiently and cost effectively.

The continued highly respected reputation of the College is crucial to its existence. The College participates actively in the Baptist Union of Great Britain and Evangelical Alliance, and maintains links locally, nationally and internationally. The Council, College Conference (alumni network) and the College's supporter base play a key role as ambassadors for the College.

Governors' responsibilities for the financial statements

The governors (who are also directors of Spurgeon's College for the purposes of company law) are responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in business.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2024

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hencefor taking reasonable steps for the prevention of fraud and other irregularities.

Disclosure of information to auditors

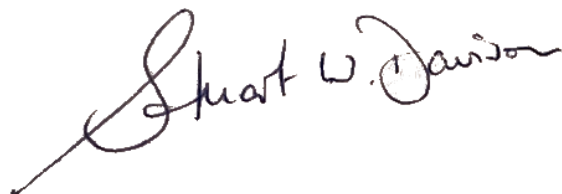
To the knowledge and belief of the governors, there is no relevant information that the College's auditors are not aware of, and the governors have taken all the necessary care to ensure and establish that the auditors are aware of any relevant information

Auditors

Moore Kingston Smith LLP will be proposed for reappointment in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 6th February 2025.

Signed on behalf of the governors:

A handwritten signature in black ink that reads "Stuart W. Davison". The signature is written in a cursive style with a long horizontal stroke extending to the left.

Rev Stuart Davison

Chair

06.02.2025

Opinion

We have audited the financial statements of Spurgeon's College ('the charitable company') for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Material uncertainty relating to going concern

We draw attention to the paragraph relating to going concern in note 1 of the financial statements, which indicates that the charity is heavily reliant on a prospective partnership with another charitable organisation in order to raise the necessary income from fundraising activities to ensure that the College is able to support its charitable objectives and can continue in operational existence for a period of at least twelve months from when the financial statements are authorised for issue. As with any fundraising campaign, its successful outcome is inherently uncertain.

This partnership is expected to be formalised in the immediate future but after these financial statements are approved, and the anticipated benefit from this partnership and the future fundraising income that it may generate will not be visible until later in the current financial year.

As stated in note 1, these events or conditions, along with the other matters as set out in note 1 indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

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

SPURGEON'S COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

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, other than the financial statements and our auditor's report thereon. The trustees / governors 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 there is 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 the audit:

- the information given in the report of the governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the governors.

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

- adequate 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 trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit.
or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the governors and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the governors' responsibilities statement set out on page 16 the governors (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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

SPURGEON'S COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

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. 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date 07/02/2025

9 Appold Street
London
EC2A 2AP

**STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31st JULY 2024**

		Unrestricted Funds	Restricted Funds	Endowment Funds	2024 Total	2023 Total
	Note	£	£	£	£	£
Income from:						
Grant And Fee Income	2a	775,935	51,081	-	827,016	785,869
Donations And Legacies	2b	87,064	10,030	-	97,094	276,985
Investment Income	2c	42,053	13,587	-	55,640	51,531
Other Income	3	130,083	2,222	-	132,305	127,395
Total Income		1,035,135	76,920	-	1,112,055	1,241,780
Expenditure						
<i>Raising Funds</i>						
Costs of raising voluntary income	4	79,539	2,706	5,905	88,150	66,514
<i>Charitable activities</i>						
Student-related expenditure	5	3,189,451	73,655	-	3,263,106	3,234,309
Total expenditure		3,268,990	76,361	5,905	3,351,256	3,300,823
Net expenditure before gains on investments		(2,233,855)	559	(5,905)	(2,239,201)	(2,059,043)
Transfers between funds		50	(50)	-	-	-
Gain/(Loss) on the sale of assets		1,598,468	-	-	1,598,468	130,000
Gain/(Loss) on Investments		6,070	-	25,892	31,962	(14,832)
Movement in funds		(629,267)	509	19,987	(608,771)	(1,943,875)
Gains/(Loss) on revaluation of fixed assets		(8,942)	-	-	(8,942)	395,302
Actuarial gains on DB Pension Scheme		-	-	-	-	-
Net movement in funds		(638,209)	509	19,987	(617,713)	(1,548,573)
Fund balances b/fwd		6,104,928	780,689	431,015	7,316,632	8,865,205
Fund balances c/fwd at 31st July 2024		5,466,719	781,198	451,002	6,698,919	7,316,632

All amounts relate to continuing activities and there are no recognised gains or losses other than those included above

The notes on pages 27 to 39 form part of these financial statements

**STATEMENT OF FINANCIAL ACTIVITIES - DETAILED COMPARATIVE FIGURES
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

		Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total
	Note	£	£	£	£
Income from:					
Grant And Fee Income	2a	731,414	54,455	-	785,869
Donations And Legacies	2b	266,640	10,345	-	276,985
Investment Income	2c	37,861	13,670	-	51,531
Other Income	3	126,795	600	-	127,395
Total Income		1,162,710	79,070	-	1,241,780
Expenditure					
<i>Raising Funds</i>					
Costs of raising voluntary income	4	57,220	3,513	5,781	66,514
<i>Charitable activities</i>					
Student-related expenditure	5	3,117,253	117,056	-	3,234,309
Total expenditure		3,174,473	120,569	5,781	3,300,823
Net expenditure before gains on investments		(2,011,763)	(41,499)	(5,781)	(2,059,043)
Transfers between funds		-	-	-	-
Gain/(Loss) on the sale of assets		130,000	-	-	130,000
Gain/(Loss) on Investments		(2,866)	-	(11,966)	(14,832)
Movement in funds		(1,884,629)	(41,499)	(17,747)	(1,943,875)
Gains/(Loss) on revaluation of fixed assets		395,302	-	-	395,302
Actuarial gains on DB Pension Scheme		-	-	-	-
Net movement in funds		(1,489,327)	(41,499)	(17,747)	(1,548,573)
Fund balances b/fwd		7,594,255	822,188	448,762	8,865,205
Fund balances c/fwd at 31st July 2023		6,104,928	780,689	431,015	7,316,632

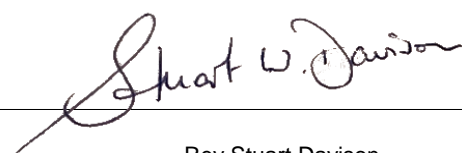
BALANCE SHEET
AS AT 31st JULY 2024


		2024	2024	2023	2023
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8	10,976,643		11,212,742	
Investments	9	425,786		501,778	
			<u>11,402,429</u>		<u>11,714,520</u>
Current Assets					
Property to be sold	8	500,000		-	
Debtors & Prepayments	10	477,660		1,109,784	
Cash	15	391,696		520,578	
		<u>1,369,356</u>		<u>1,630,362</u>	
Creditors : Amounts falling due within one year					
Creditors & Accruals		5,709,753		594,674	
Fees received in advance		41,892		54,631	
	11a.	<u>5,751,645</u>		<u>649,305</u>	
Net Current Assets / (Liabilities)			(4,382,289)		981,057
Total assets less current liabilities			<u>7,020,140</u>		<u>12,695,577</u>
Creditors: amounts falling due after more than one year	11b.		321,221		5,378,945
Provisions for Defined Benefits Pension Schemes	16		-		-
Net Assets			<u>6,698,919</u>		<u>7,316,632</u>
Represented by Funds					
General Funds	15		5,466,719		6,104,928
Total Unrestricted Funds			<u>5,466,719</u>		<u>6,104,928</u>
Restricted Funds	13		781,198		780,689
Endowment Funds	14		451,002		431,015
	15		<u>6,698,919</u>		<u>7,316,632</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 27 to 39 form part of these financial statements

Approved by the Governors on 06 February 2025 and signed on their behalf by:


 Rev Stuart Davison
 CHAIR


 Rev Prof Philip McCormack
 ACCOUNTABLE OFFICER
 ACCOUNTABLE and TRUSTEE OFFICER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st JULY 2024**

	2024 £	2024 £	2023 £	2023 £
Cashflows from operating activities				
Net Expenditure	(608,771)		(1,943,874)	
Adjustments for:				
Depreciation	19,767		23,951	
Loss/(Gain) on investments and investment property	(31,962)		14,833	
Decrease/(increase) in debtors	632,124		(798,176)	
Increase/(Decrease) in creditors (including loans)	5,102,339		(16,405)	
(Increase)/Decrease in current loans	(5,062,760)		5,154	
Increase/(Decrease) in pension provisions	-		-	
Investment Income	(55,640)		(51,531)	
Interest payable	876,643		673,983	
Loss/(Gain) disposed fixed assets	(1,598,468)		(130,000)	
	<u>(117,957)</u>		<u>(278,191)</u>	
Cash flows used in operations		(726,728)		(2,222,065)
Cash flows from investing activities				
Proceeds from sales of tangible assets	1,598,468		670,000	
Proceeds on disposal of investments	223,892		149,775	
Investment Income	55,640		51,531	
Purchase of Property, Plant and Equipment	(292,609)		(368,036)	
Purchase of investments	(115,938)		(132,341)	
		<u>1,469,453</u>		<u>370,929</u>
Cashflows from financing				
Interest paid on loans		(876,643)		(673,983)
Proceeds from new loans	-		5,050,000	
Repayment of loans	5,036		(2,333,793)	
		<u>5,036</u>		<u>2,716,207</u>
Net increase/(decrease) in cash		<u>(128,882)</u>		<u>191,088</u>
Cash at the beginning of the year		<u>520,578</u>		<u>329,490</u>
Cash at the end of the year		<u>391,696</u>		<u>520,578</u>

Analysis of cash and cash equivalents and changes in net debt

	At 1st August 2023 £	Cashflows £	At 31st July 2024 £
Cash at Bank	520,578	(128,882)	391,696
Loans	(5,718,307)	(5,036)	(5,723,343)
	<u>(5,197,729)</u>	<u>(133,918)</u>	<u>(5,331,647)</u>
	At 1st August 2022 £	Cashflows £	At 31st July 2023 £
Cash at Bank	329,490	191,088	520,578
Loans	(3,002,100)	(2,716,207)	(5,718,307)
	<u>(2,672,610)</u>	<u>(2,525,119)</u>	<u>(5,197,729)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024**

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and accordance with The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis, except as stated in sub paragraph 1.5. The charity meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The governors have evaluated the appropriateness of using the going concern basis of accounting and have considered possible events or conditions that could raise significant doubt about the charitable company's ability to continue as a going concern. The trustees have conducted this assessment for a period of at least 12 months from the date of approval of the financial statements.

The post-balance sheet events (note 21) explain that the net current liabilities at the year-end (£4,382,289 - 2 loans falling due for repayment within 12 months) were significantly improved by the repayment of most of the College's loans, which has greatly strengthened its long-term financial position. Additionally, the trustees have carefully reviewed the cash flow projections and the fundraising income required to sustain the College over the next 12 months. They are confident these targets can be achieved, particularly in light of the partnership formed after the year-end.

After the year-end, the governors established a partnership with the Graham Dacre Charitable Foundation, which resulted in £5.4 million of Spurgeon's College loans being repaid. In addition, the Foundation is leading a broader fundraising campaign involving other high-net-worth individuals to support the College.

Based on this, the trustees have a reasonable expectation that the fundraising campaign will secure the resources needed to ensure the College's financial viability and long-term success, although they acknowledge the material uncertainty that exists with any fundraising campaign. Consequently, the governors continue to adopt the going concern basis in preparing the financial statements.

1.3 Student fees, grants receivable, income from student accommodation and donations

Fees are recognised in the year to which they relate. Where debts exceed 3 years a 100% provision is made.

1.4 Legacies

Legacies are normally accounted for when received, and adjusted for legacies notified during the year but received after the year end.

1.5 Fixed assets and depreciation

The company owns the land and buildings of the college site at Spurgeon's College, South Norwood Hill, London SE25 6DJ.

In the past, the charity has taken the advantage of the option to use the value of land and buildings at the date of transition to FRS 102 (1st September 2014) as deemed cost and no depreciation was charged in respect of freehold land and buildings.

During the 2020/21 year, the trustees chose to change the accounting policy to hold land and buildings at fair value. The trustees believe that this gives a more reliable reflection of the company's ability to fulfil its charitable objectives.

Properties are maintained in a good state of repair prolonging their useful life and enhancing their residual value. The directors consider the useful economic life of the property to be in excess of 50 years, and that it did not diminish during the period under review. Consequently, no charge for depreciation is made.

The Trustees carry out an annual review to consider the useful life and estimated residual value of the properties; this includes reviewing for any impairment.

Tangible fixed assets costing £1,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets calculated to write off the cost on a straight line basis over their expected useful economic life as follows:-

Computer equipment	3 years	Heating Plant	10 years
Furniture and office equipment	5 years	Building improvements	20 years

Motor vehicles are depreciated over 5 years using a reducing balance with a residual value of 10%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

1.6 Investments

Investments are stated in the financial statements at market value.
The historical cost is set out in Note 9.

1.7 Funds

Certain items of income and expenditure which relate to such funds created for specific purposes are taken directly to the appropriate restricted and endowment funds.

1.8 Taxation

The College is a registered charity under the Charities Act 2011 & has been recognised by Her Majesty's Revenue and Customs. Therefore no liability to corporation taxation arises on its charitable activities.

1.9 Expenditure

Expenditure is accounted for on an accruals basis. All charitable expenditure in furtherance of the charity's objectives relate to the provision of educational services. Costs of raising funds includes cost directly attributable for the provision of the charitable objectives.

1.10 Operating Lease Policy

Rentals payable under operating leases are charged on a straight line basis to the statement of financial activities over the term of the lease.

1.11 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the governors to have the most significant effect on amounts recognised in the financial statements.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

See note 8 for the carrying amount of the property, plant and equipment and note 1.4 above for the useful economic lives for each class of asset.

1.12 Corporate Governance and Internal Control

The College Board of Governors is responsible for the statutory oversight of the College to ensure it meets the standards of a charity, a company and a higher education institution which has access to public funds. In doing so it recognises the core values and primary elements of governance as set out in the Committee of University Chairs (CUC) Higher Education Code of Governance. The Board is responsible for ensuring the College has in place the physical and human resources to meet the needs of its students and for ensuring the enhancement of the learning experience and the maintenance of its academic standards. The directors meet for full Board meetings at least six times per academic year with additional meetings held with the agreement of the Chair of the Board. The College Principal and Senior Management Team keeps the Board informed of all relevant activity and the governors undertake all relevant and necessary training. The Principal is a member of the board and the College executive are always in attendance at Board meetings. The College conducts its business through the following committees, which all have core external committee members:

- Academic Board
- Governance Group
- Equality, Diversity and Inclusion Monitoring Group
- Finance Committee
- Audit and Risk Committee
- Access and Participation Monitoring Group
- Nominations Committee
- Process Monitoring Group
- Development Group
- Marketing, PR and Income Generation Group
- Safeguarding Committee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2024 Total £	2023 Total £
2a GRANT AND FEE INCOME					
Grant income from OfS	14,828	682	-	15,510	13,241
Grant income from other bodies	-	50,399	-	50,399	53,601
Fee Income for taught awards (ex VAT)	537,744	-	-	537,744	494,140
Fee income for research awards (ex VAT)	-	-	-	-	-
Fee income from non-qualifying courses (ex VAT)	223,363	-	-	223,363	224,887
	775,935	51,081	-	827,016	785,869
2b DONATIONS AND LEGACIES					
Donations	66,565	10,030	-	76,595	175,841
Legacies received	20,499	-	-	20,499	101,144
	87,064	10,030	-	97,094	276,985
2c INVESTMENT INCOME					
Rent from properties	23,200	1,632	-	24,832	26,887
Dividends and interest on investments	2,573	11,955	-	14,528	14,629
Bank interest	16,280	-	-	16,280	10,015
	42,053	13,587	-	55,640	51,531
3 OTHER INCOME					
Validation activities	42,825	-	-	42,825	30,000
Residences operations	21,820	-	-	21,820	21,800
Catering	27,871	-	-	27,871	22,397
Sundry Income	37,567	2,222	-	39,789	53,198
	130,083	2,222	-	132,305	127,395
4 COSTS OF RAISING FUNDS					
Publicity and Fundraising expenses	78,268	2,706	-	80,974	59,489
Investment Management Charges					
General Fund	1,271	-	-	1,271	1,244
General Bursary Fund	-	-	1,829	1,829	1,790
Pringle Fund	-	-	734	734	719
Vectis Fund	-	-	2,751	2,751	2,693
Copley Fund	-	-	591	591	579
	79,539	2,706	5,905	88,150	66,514

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

5 Student-Related Expenditure

SUMMARY OF EXPENDITURE				2024	2023
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£	£
	£	£	£		
Tuition Costs	1,294,692	70,736	-	1,365,428	1,343,885
Domestic Costs	186,147	74	-	186,221	170,423
Establishment Costs	303,886	-	-	303,886	254,393
Administration Expenses	1,367,145	2,845	-	1,369,990	1,428,887
Governance Cost (Note 7)	37,581	-	-	37,581	36,721
	3,189,451	73,655	-	3,263,106	3,234,309
TUITION COSTS					
Tutors' salaries, NI & pension contributions	773,547	-	-	773,547	795,952
Visiting tutors and examining costs	86,793	682	-	87,475	23,740
Travel allowances and expenses	12,314	787	-	13,101	30,820
Computer and network support	174,097	461	-	174,558	169,180
Property expenses	1,148	516	-	1,664	4,250
Student registration and validation fees	92,702	-	-	92,702	98,627
Miscellaneous tuition expenses	40,416	31	-	40,447	41,181
Library purchases	75,417	-	-	75,417	47,191
Depreciation of computer equipment	4,171	-	-	4,171	5,701
Student support and other disbursements	14,100	68,259	-	82,359	127,243
Sundry expenses	19,987	-	-	19,987	-
	1,294,692	70,736	-	1,365,428	1,343,885
DOMESTIC COSTS					
Contract Catering	129,409	74	-	129,483	116,895
Domestic expenses	54,361	-	-	54,361	51,615
Depreciation of equipment	2,377	-	-	2,377	1,913
	186,147	74	-	186,221	170,423
ESTABLISHMENT COSTS					
Light and heat	97,583	-	-	97,583	90,491
Rates and insurance	37,974	-	-	37,974	28,637
Repairs and maintenance	52,942	-	-	52,942	36,060
Repairs - Nurseries House	-	-	-	-	(11)
Salaries, NI and pension contributions	102,618	-	-	102,618	82,880
Depreciation	12,769	-	-	12,769	16,336
	303,886	-	-	303,886	254,393
ADMINISTRATION EXPENSES					
Salaries, NI and pension contributions	395,509	-	-	395,509	356,768
Printing postage and stationery	21,008	-	-	21,008	23,702
Telephones	18,259	-	-	18,259	17,101
Travel, Training and entertaining	3,940	-	-	3,940	624
Finance expenses	882,036	-	-	882,036	933,846
Professional fees	37,945	-	-	37,945	85,014
Sundry Expenses	7,802	2,845	-	10,647	11,004
Depreciation	450	-	-	450	-
Equipment	196	-	-	196	828
	1,367,145	2,845	-	1,369,990	1,428,887

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

6 ACCESS AND PARTICIPATION

	2024	
	Actuals £	Per Plan £
Access Investment	12,000	12,000
Financial Support	64,828	65,000
Support for disabled students	-	-
Research and Evaluation	10,000	10,000
	<u>86,828</u>	<u>87,000</u>

7 GOVERNANCE COSTS

General Fund		2024 £	2023 £
Auditor's Remuneration	Annual audit	35,000	34,355
	Prior year adjustment	-	-
		<u>35,000</u>	<u>34,355</u>
Governors' expenses reimbursed		2,581	2,366
		<u>37,581</u>	<u>36,721</u>

8 TANGIBLE FIXED ASSETS

For use by Charity	Properties £	Building improvements £	Equipment £	Assets Under Construction £	TOTAL £	Current Assets To be sold £
Cost & Valuation						
At 1st Aug 2023	9,210,000	186,578	142,482	1,945,901	11,484,961	-
Revaluations	-	-	-	(8,942)	(8,942)	-
Additions	-	-	17,222	275,387	292,609	-
Transfer to current assets	-	-	-	(500,000)	(500,000)	500,000
Disposals	-	-	(3,835)	-	(3,835)	-
At 31st Jul 2024	9,210,000	186,578	155,869	1,712,346	11,264,793	500,000
Depreciation						
At 1st Aug 2023	-	146,117	126,102	-	272,219	-
Charges	-	11,385	8,381	-	19,767	-
Disposals	-	-	(3,835)	-	(3,835)	-
Change for the period	-	11,385	4,546	-	15,932	-
At 31st Jul 2024	-	157,502	130,648	-	288,151	-
Net Book Value						
At 1st Aug 2023	9,210,000	40,461	16,380	1,945,901	11,212,742	-
At 31st Jul 2024	<u>9,210,000</u>	<u>29,076</u>	<u>25,221</u>	<u>1,712,346</u>	<u>10,976,643</u>	<u>500,000</u>

All fixed assets are held for direct charitable use.

The properties of the college beyond the main site were revalued by Kempton Carr Croft and are now held at market value as at March 2022.

The property of Arodene Road which had been under construction had been valued as at 31/07/2023 at £560,000 (it was valued at 75% complete in 2023 and is now complete); the revaluation in conjunction with capitalised costs takes the holding value to this. This has now been sold after the year end for £500,000 and the holding value adjusted to this figure, along with the revaluation adjusted for the £60,000 lower value than original valuation.

The college van was scrapped using the TfL scrappage scheme and sent to Ukraine; a replacement van was bought using the funds received.

The College sold its Spurgeon heritage collection to another educational institution for the purposes of research for £1.6 million. It was not recognised in the accounts prior to this as it had no value.

The net book value at 31st Jul 2024 represents fixed assets used for charitable purposes. Previously fully depreciated and unused equipment has been disposed/scrapped in the year under review.

Assets under construction represent costs incurred in the development of the College campus that will be used for a mixture of Charitable and Non-Charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

9 INVESTMENTS

a) Fixed interest and equity-based Investments

	General Fund £	General Bursary Fund £	Pringle Fund £	Vectis Fund £	Copley Fund £	Cudlip Fund £	Total £
At Valuation							
At 1st August 2023	93,400	118,344	47,514	178,073	38,271	26,176	501,778
Purchases	20,533	29,541	11,860	44,451	9,553	-	115,938
Disposals	(39,651)	(57,048)	(22,904)	(85,840)	(18,449)	-	(223,892)
Gain/(Loss)	6,070	7,285	2,925	10,962	2,356	2,364	31,962
At 31st July 2024	80,352	98,122	39,395	147,646	31,731	28,540	425,786
Represented by –							
Fixed interest securities	12,566	18,079	7,258	27,203	5,846	-	70,952
Equities	17,693	25,456	10,220	38,304	8,232	-	99,905
Investment & unit trusts	50,093	54,588	21,916	82,139	17,653	28,540	254,929
Value of Investments at Market Value	80,352	98,123	39,394	147,646	31,731	28,540	425,786
Securities at Historical Cost							
At 1st August 2023	85,949	108,045	43,379	162,576	34,941	28,628	463,518
At 31st July 2024	73,345	89,911	36,098	135,289	29,076	28,628	392,347

All these investments are listed on a recognised Stock Exchange or are ones valued by reference to such investments, such as unit trusts and common investment funds.

Borrowing from Permanent Endowment

In July 2024 Spurgeon's College held £517,346 in its endowment portfolio. The trustees resolved to borrow £125,000 releasing it from the endowment restriction and using the proceeds to further the purposes of the College. On repayment of the same amount, which will be within 5 years, the funds will retain their original restrictions.

10 DEBTORS

	2024 £	2023 £
Amounts falling due within one year		
Trade Debtors	154,403	145,670
Gift Aid Receivable	15,154	11,078
Prepayments	292,784	924,268
Sundry Debtors	15,319	28,768
	<u>477,660</u>	<u>1,109,784</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

11 CREDITORS

	2024 £	2023 £			
a. Amounts falling due within one year					
Loans	5,402,122	339,362			
Other Creditors & Accruals	255,423	232,964			
Taxation and Social Security	52,208	22,348			
Fees received in advance	41,892	54,631			
	<u>5,751,645</u>	<u>649,305</u>			
b. Amounts falling due after one year					
Loans	<u>321,221</u>	<u>5,378,945</u>			
There are three interest-bearing loans:	Type	Duration left	Rate	Amount o/s	
Against 191 South Norwood Hill	Repayment	9 years	BoE base rate + 3.00%	328,997	(BUC)
Against 76 South Norwood Hill	Interest	10 months	BoE base rate + 7.00%	344,346	(BUC)
Against 189 South Norwood Hill	Interest	3 months	BoE base rate + 10.75%	5,050,000	
		Loans falling due within 1 year:	5,402,122		
		Loans falling due after 1 year:	<u>321,221</u>		
		Total:	<u>5,723,343</u>	<u>5,723,343</u>	

See note 18 for additional information in relation to these loans.

12 Transfers Between Funds

£50 - Restricted gift for heating transferred to General Fund to refund payment of heating bill

£1,368 - Principal's Fund to Ethics Conference Fund - was to be paid from Principal's fund

£2,622 - General Bursary to Lamplighters Fund - The General Bursary income is used in conjunction with the Lamplighter's fund (to which people donate) for giving bursaries

13 Restricted Funds

	Fund Balance 1st August 2023 £	Income £	Expenditure £	Transfers £	Fund Balance 31st July 2024 £
Frank Fitzsimmonds Bursary Fund	6,600	-	-	-	6,600
Baptist Union Bursary Fund	5,185	48,399	(50,612)	-	2,972
General Bursary - Income	21,239	3,702	(2,932)	(2,622)	19,387
Pringle Bursary - Income	1,912	1,786	-	-	3,698
Vectis Fund - Income	10,957	5,570	(1,000)	-	15,527
Copley Fund - Income	1,205	1,197	(1,000)	-	1,402
Lamplighters Bursary	12,043	2,075	(9,615)	2,622	7,125
Conference Communion	175	-	-	-	175
Nott Fund	653,247	1,632	(637)	-	654,242
Restricted Gifts	10,960	3,358	(1,494)	(50)	12,774
Oversea Student	600	-	(600)	-	-
Learning Support	694	120	-	-	814
Pioneer Project	20,744	-	-	-	20,744
Principal's fund	2,413	6,149	(3,330)	(1,368)	3,864
Ethics Conference	-	-	(1,368)	1,368	-
Student Rep	1,916	-	(91)	-	1,825
Theology of Law Course	799	500	(1,250)	-	49
The Rev Dr Curdell McLeod Bursary	-	1,250	(1,250)	-	-
Fund Raiser	30,000	-	-	-	30,000
	<u>780,689</u>	<u>75,738</u>	<u>(75,179)</u>	<u>(50)</u>	<u>781,198</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

Movements in comparative period

	Fund Balance 1st August 2022 £	Income £	Expenditure £	Transfers £	Fund Balance 31st July 2023 £
Frank Fitzsimmonds Bursary Fund	8,200	-	(1,600)	-	6,600
Baptist Union Bursary Fund	47,898	53,601	(96,314)	-	5,185
General Bursary - Income	17,512	3,727	-	-	21,239
Pringle Bursary - Income	3,497	1,797	(3,382)	-	1,912
Vectis Fund - Income	9,348	5,609	(4,000)	-	10,957
Copley Fund - Income	-	1,205	-	-	1,205
Lamplighters Bursary	13,195	2,930	(4,082)	-	12,043
Conference Communion	175	-	-	-	175
Nott Fund	652,859	1,632	(1,244)	-	653,247
Restricted Gifts	10,226	1,384	(650)	-	10,960
Oversea Student	600	-	-	-	600
Learning Support	474	220	-	-	694
Pioneer Project	20,744	-	-	-	20,744
Principal's fund	4,745	3,835	(6,167)	-	2,413
Student Rep	1,916	-	-	-	1,916
Theology of Law Course	799	2,000	(2,000)	-	799
OfS Hardship Funding	-	378	(378)	-	-
Fund Raiser	30,000	-	-	-	30,000
	<u>822,188</u>	<u>78,318</u>	<u>(119,817)</u>	<u>-</u>	<u>780,689</u>

Frank Fitzsimmonds Bursary Fund - A bequest given to assist deserving undergraduate students with their course fees whilst in full time training at Spurgeon's College for the Baptist Ministry.

Baptist Union Bursary Fund - This fund is from "Baptists Together" and is to help Baptist Union Ministers in Training with their fees and/or living costs.

Income Funds (General Bursary, Pringle Bursary, Vectis Fund, Copley Fund) - Income derived from the investments held in these Funds (see note 14) is applied to provide assistance with students' fees and charges, or in the case of the Cudlip Legacy, for general College purposes.

Lamplighters Fund - To receive donations from 'Lamplighters' and others who wish to provide direct assistance to students who are unable to pay full fees.

Conference Communion Fund - A pastoral fund, administered by the Principal, established by past and present students of the College for the benefit of colleagues experiencing personal financial difficulties.

Nott Fund - In 1976 Miss Dorothy Nott made a bequest to the College of the residue of her estate for the purpose of helping retired ministers and missionaries who were former students of the College. A property in Beckenham, 7 Glanfield Road, valued at £625,000, is held for the benefit of retired members of the College.

Restricted Gift Fund - This includes gifts towards specific projects.

Oversea Student - This fund was established to provide assistance to overseas students.

Learning Support - A fund established to assist students with additional support needs in their studies.

Pioneer Fund - Grant received from BU Newington Court for the writing of a pioneer pathway for ministerial training.

Principal's Fund - This includes gifts specifically for use at the Principal's discretion.

Ethics Conference fund - This fund was used to track spending at an Ethics Conference which the Principal attended.

Student Rep - A fund established to be used by the student representatives.

Theology of Law Course - This fund is to help with the fees of students studying on the theology of law unit.

The Rev Dr Curdell McLeod Bursary - This bursary is given to students of African and/or Caribbean heritage who are training for

OfS Hardship Funding - This fund was received from the Office for Students to help students who were struggling financially.

Fund Raiser - This fund was received for use in employing a fund raiser.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

14 Endowment Funds

	Fund Balance 1st August 2023	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2024
	£	£	£	£	£
General Bursary	125,353	-	(1,829)	7,285	130,809
Pringle Bursary	50,328	-	(734)	2,925	52,519
Vectis Fund	188,620	-	(2,751)	10,962	196,831
Copley Fund	40,538	-	(591)	2,356	42,303
Cudlip Legacy	26,176	-	-	2,364	28,540
	<u>431,015</u>	<u>-</u>	<u>(5,905)</u>	<u>25,892</u>	<u>451,002</u>

Movements in comparative period

	Fund Balance 1st August 2022	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2023
	£	£	£	£	£
General Bursary	130,420	-	(1,790)	(3,277)	125,353
Pringle Bursary	52,362	-	(718)	(1,316)	50,328
Vectis Fund	196,244	-	(2,693)	(4,931)	188,620
Copley Fund	42,177	-	(579)	(1,060)	40,538
Cudlip Legacy	27,559	-	-	(1,383)	26,176
	<u>448,762</u>	<u>-</u>	<u>(5,780)</u>	<u>(11,967)</u>	<u>431,015</u>

The income earned on the first four of these endowments is recorded in the related restricted funds (see note 13). The income on the Cudlip legacy is credited to the General Fund.

General Bursary Fund - Income derived from the investments held in this Fund is applied to provide assistance with students' fees and charges.

for a pastoral studies student not otherwise receiving any financial assistance from public funds. Preference is to be given to a student normally resident in the area of the former Lancashire & Cheshire Baptist Association (now the North Western Baptist Association).

The Vectis Fund - This fund is an endowment established in 2003 and added to in 2011 to provide assistance to either:-

- (1) students from the Isle of Wight, Hampshire or Dorset who :-
 - have the insight and ability to develop a strong pastoral role, or
 - are preparing for overseas mission, or
 - are studying on the evangelists' course; or

- (2) exceptional students from overseas who intend to return to their own country.

The Copley Fund - This fund was set up in 2003 by a bequest under the will of Edith Copley in memory of her parents John and Sarah Ann Copley. The object of the bequest was to provide assistance to any persons, with preference given to those from Yorkshire, who wish to study at Spurgeon's College with a view to entering the Baptist ministry, whom the governing body considers would be unable to do so without such assistance.

The Cudlip Legacy - A bequest from the estate of Miss Edith Mary Cudlip who died in March 2008. Under the terms of her will Miss Cudlip left the College a one thirteenth share of the residual estate with the proviso that the amount realised should be invested and the interest received should be used as a donation.

15 Analysis Of Net Assets Between Funds

	General	Restricted	Endowment	Total 2024
	£	£	£	£
Tangible fixed assets	10,351,643	625,000	-	10,976,643
Investments	80,352	-	345,434	425,786
Cash at bank and in hand	232,793	156,198	2,705	391,696
Other net Current Assets	(4,876,848)	-	102,863	(4,773,985)
Long term creditor	<u>(321,221)</u>	<u>-</u>	<u>-</u>	<u>(321,221)</u>
	<u>5,466,719</u>	<u>781,198</u>	<u>451,002</u>	<u>6,698,919</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

16 Staff Costs Of Permanent Employees

	2024	2023
	£	£
Salaries	1,142,750	1,062,253
National Insurance costs	102,804	96,717
Pension costs: Scottish Life - 11 (12) members	39,551	36,202
Baptist Pension Scheme - 25 (22) members	66,873	57,360
	1,351,978	1,252,532

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was 31 (2023:32). The Average head count was 52 (2023:51). No employee received remuneration of more than £60,000 in the current or prior year.

The salary and employer's national insurance contributions paid during the year in respect of the College Principal (who is also a Governor of the college), in respect of his teaching and administrative duties, as authorised by the Articles of Association, amounted to £61,809 (2023: £51,242).

The College also made pension contributions of £5,542 (2023: £4,500) for the College Principal, along with non-taxable benefits of £36,000 (2023: £36,000) and a proportional bonus (given to all staff) of £0 (2023: £1,000).

The median basic remuneration for the year was £28,506 (2023: £25,777); the Principal's basic remuneration was 1.9 (2023: 1.7) times this. The median total remuneration pay for the year was £31,378 (2023: £31,507); the Principal's total remuneration was 3.3 (2023: 2.9) times this.

The cost of employment of key management staff which includes Salary, proportional bonuses, Pension Contributions and employer NI contributions amounted to £210,453 (2023: £151,923). The key management staff include Vice Principal (Academic Director), Vice Principal (Director of Ministerial Formation) and the Chief Operating Officer.

During the year to 31st July 2024, the College made pension contributions in respect of 11 members of staff (2023: 12) into a defined contribution pension scheme where the assets are held separately from those of the Charity in independently administered funds.

The College also participates, on behalf of another 25 (2023: 22) members of staff, as an employer in the Baptist Pension Scheme ("the Scheme"), which is a separate legal entity administered by the Pension Trustee (Baptist Pension Trust Limited). The assets of the scheme are held separately from those of the Employer and the other participating employers.

The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31 December 2011. Prior to this date the main benefit provided through the Defined Benefit (DB) Plan was a pension of one eightieth of final minimum pensionable income for each year of pensionable service together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income.

Since January 2012, pension provision has been made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time. The Ministers and members of the staff are eligible to join the Scheme.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

16 Staff Costs Of Permanent Employees (continued)

Actuarial Valuation and Deficit recovery

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The College and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme was due to take place not later than as at 31 December 2022. However, the DB Plan is to be wound up, and the process to wind it up was started with effect from 31 March 2024 and therefore no formal valuation is due to take place.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions were payable until June 2026.

On 30th June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ("Just") to secure DB Plan members' pension benefits. Just are now providing financial backing for all pensions provided through the Scheme's DB Plan and, following this transaction, the Scheme no longer has a shortfall. An updated Recovery plan was then signed in August 2022 under which recovery contributions from each participating employer in the DB Plan reduced to £1 per month from August 2022. These contributions are payable under the recovery plan until June 2026. The outstanding deficiency contributions due under the Recovery Plan are not considered material and therefore have not been included in the balance sheet.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2024	2023
	£	£
Balance sheet liability at the start of the year	-	-
Minus deficiency contributions paid	-	(12)
Plus Interest cost	-	12
Actuarial (gains)/losses on re-measurement of liability	-	-
Balance sheet liability at the end of the period	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

16 Staff Costs Of Permanent Employees (continued)

The key financial assumptions underlying the valuation were as follows:

Accounting date	31/07/2024	31/07/2023	31/07/2022
Discount rate	N/A	N/A	4.0%
Future increases to Minimum Pensionable Income	N/A	N/A	0.0%

17 Governors' Remuneration And Loans

Governors are not paid for their services as governors (except as regards the College Principal – see note 16 on the previous page). Reimbursements of £2,581 (2023: £2,366) were paid to four governors for directly incurred travel and other expenses. During the year none of the governors received a loan from the charity.

18 Related Party Transactions

The College Principal is also a Baptist Union trustee. The College has two loans with the Baptist Union Corporation (see note 11). During the year loans totalling £0 (2023: £2,328,136) were repaid. The total amount outstanding as at 31st July 2024 was £673,343 (2023: £668,307). The College also received Baptist Union grant money for the year totalling £48,399 (2023: £53,601).

A staff member is also the moderator of the Baptist Union Corporation Council

During the year the charity made purchases of £693 (2023: £1,171) from the charity Book Aid of which a staff member is a trustee.

During the year donations totalling £3,100 (2023: £1,080) from the trustees were received by the charity.

A Governor is also a student on courses with fees of £250 (2023: £270).

19 Status of the company

The company is limited by guarantee. The number of members of the Council at the year end was 36 (2023: 36). In the event of a winding-up of the company, the maximum liability of each Council member is £10.

20 Commitments Under Operating Leases

At 31st July 2024 the college was committed to making the following payments for operating leases:

Within:	2024 £	2023 £
Less than One Year	20,716	30,539
In two to five years	9,063	27,637
Greater than five years	31	-
	<u>29,810</u>	<u>58,176</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2024 (continued)**

21 Post Balance Sheet Events

After the year end the College has sold the property in Arodene Road for £500,000; this property was classified as Property to be Sold under Current Assets on the balance sheet.

Since 2003, Spurgeon's College's accounts have combined the reporting requirements for the Falklands Park Trust, as a linked charity. The Falklands Park Trust has held the land and buildings for the use and occupation of Spurgeon's College. Spurgeon's College has been the corporate trustee of Falkland Park Trust since 2003.

Separately to this, following the year end, Spurgeon's College formed a partnership with the Graham Dacre Charitable Foundation which has provided financial support through donations. Throughout 2024/25 the College will receive further donations from the Foundation as part of its format commitment to ensuring the College's financial stability.

As part of this partnership, the Graham Dacre Charitable Foundation repaid £5.4 million of the College's loans, eliminating these liabilities from Spurgeon's Colleges balance sheet. In addition, Spurgeon's College resigned as the corporate trustee of the Falkland Park Trust and the trustees of the Graham Dacre Charitable Foundation became the trustees of the Falkland Park Trust the entity that holds the designated land and buildings for Spurgeon's College. The Foundation took a charge of £5.4 million over the assets held in the Falkland Park Trust

Following the change of trusteeship, an application has now been submitted to the Charity Commission to formally unlink the two charities.

Going forward Spurgeon's College will no longer include the value of the land and buildings of the Falkland Park Trust on its balance sheet. Instead a separate set of accounts will be prepared and filed for the Falkland Park Trust. The Falkland Park Trust has offered the use of the land and buildings to Spurgeon's College under a formal lease agreement for a peppercorn rent to the end of July 2027.

SPURGEONS COLLEGE

England & Wales - Charity number 1096721

Accounts



REPORT OF THE GOVERNORS
and
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st July 2023

Company number: 04418151

Charity registration number: 1096721

Registered office:
189 South Norwood Hill, London SE25 6DJ

Website: www.spurgeons.ac.uk

SPURGEON'S COLLEGE

Registered charity no. 1096721

**Incorporating trust property held in connection with Spurgeon's
College registered charity no. 312888 and Falkland Park Trust
registered charity no. 1096721-1**

REPORT OF THE GOVERNORS and FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
31st JULY 2023**

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SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2023

REFERENCE AND ADMINISTRATIVE DETAILS

Spurgeon's College is a company limited by guarantee registered in England and is also a charity registered with the Charity Commission. The governors are both the directors of the company and trustees of the charity.

Company registration number 04418151

Charity registration number 1096721

Registered office Spurgeon's College
189 South Norwood Hill
London SE25 6DJ

Governors Rev'd Stuart Davison (*Vice-Chair*)
Prof Sir Leslie Ebdon (*Chair*)
Rev'd Jonathan Edwards
Mrs Joanne Gale
Mrs Charlotte Kirby-Thomson
Mr David Locke (*Treasurer*)
Rev'd Prof Philip McCormack (*Principal*)
Ms Charmaine Mhlanga (*Student governor*)
Mr Neil Sherringham
Pastor Michael White

Senior staff Rev'd Prof Philip McCormack (*Vice-Chancellor and Principal*)
Rev'd Helen Stokley (*Deputy Vice-Chancellor and Chief Operating Officer*)
Rev'd Dr Stephen Wright, (*Vice Principal – Academic Director*)
Rev'd Seidel Abel Boanerges (*Dean of Ministerial Formation*)

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2023

Principal advisers

Solicitors	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Bankers	NatWest Bank 1 High Street Croydon Surrey CR9 1PD
Auditors	Moore Kingston Smith LLP 6 th Floor 9 Appold Street London EC2A 2AP
Investment Managers	Rathbones 159 New Bond Street London W1S 2UD
Independent Financial Advisers	AW Financial Management LLP River House 1 Maidstone Road Sidcup Kent DA14 5RH

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2023

GOVERNORS' ANNUAL REPORT

The governors have pleasure in presenting their report and the financial statements of Spurgeon's College for the year ended 31st July 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Structure, Governance and Management

Governing document

Spurgeon's College is governed by its Articles of Association as adopted by Council on 18th June 2020.

The members of the charity are the members of the Council. In the event of the College winding up, each member of the Council undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the College, all remaining assets shall be given or transferred to another charity having the same or similar objects to the College in accordance with charity law.

The College occupies land and buildings in South Norwood, London. These, including a residential property, are owned by the Falkland Park Trust (Charity No: 1096721-1, previously Charity No: 1017769). Under a Charity Commission Scheme dated 13th February 2003, the company (Spurgeon's College) became sole Corporate Trustee of the Falkland Park Trust.

On 29th April 2019 Spurgeon's College Development Limited was incorporated as a wholly owned subsidiary of Spurgeon's College. The company has been dormant since incorporation and will be used for future College development projects.

Validation and regulation

In the academic year 2022-23 the College successfully exercised the awarding and validating powers granted to by the Office for Students (OfS) the regulator for Higher Education in England. Spurgeon's College is the first theological college in the UK to achieve Full Taught Degree Awarding Powers (TDAPs). TDAPs is seen to offer confirmation of reputation (the most precious commodity in higher education), greater autonomy, flexibility, leadership and economic benefits.

In 2021 the OfS relaunched the Teaching Excellence Framework or TEF with submission expected by January 2022. As a new degree awarding authority, Spurgeon's made a TEF submission. On 28 September 2023, the results were announced, and Spurgeon's received a Triple Gold award, the highest accolade possible. It also placed in the top 26 universities and colleges in the UK who have been awarded triple TEF Gold. The TEF is a national scheme run by the Office for Students that aims to encourage higher education institutions to improve and deliver excellence in the areas that students really care about: teaching, learning and achieving positive outcomes from their studies. The TEF does this by assessing and rating universities and colleges for excellence above a set of minimum requirements for quality and standards. In one year, Spurgeon's moved from receiving Full Degree Awarding Powers to securing a

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023

triple Gold rating in the Teaching Excellence Framework. The College has this Triple Gold award for four years.

In the academic year 2022-2023 Spurgeon's introduced its new undergraduate degree (BA in Theology) validated exercising its new powers. This included offering its new BA via Distance Learning. The College also brought its five postgraduate programmes under its own validation authority. In addition, the College also validated: The Professional Certificate in Ministerial Formation and The Foundation Year (Year Zero), which is the first year of our four-year BA in Theology (Hons) that prepares students for degree-level study in Theology. The College is currently working a BSc in Counselling for a September 2024 start, at Level 4 & 5, a LLB in Law and a BA in Business and Public Administration for a September 2025 start. The creation and delivery of new programmes, especially in the social sciences and liberal arts, will substantially increase the income from student fees in the short to medium term. It is the College's intention to design and implement two new undergraduate programmes, in the humanities and social sciences, each year.

An important component in the TDAP powers granted to the College is the authority to validate other institutions and to authorise those institutions to grant academic awards on its behalf. In October 2022 the Irish Baptist College (IBC) formally approached Spurgeon's to enter a process that would result in IBC being a validated institution. This involved a substantial amount of work by both institutions. This was noted in the QAA's monitoring visit to the IBC in March 2023. In the QAA's report it stated that, 'The curriculum is currently being comprehensively reviewed and modified in light of the new expectations of Spurgeon's College awards. This extensive work is due to be approved and implemented for the 2023-24 intake and has allowed for further engagement with the Quality Code and Subject Benchmark Statements in the revisions of the curriculum.' The successful validation of the IBC is evidence of Spurgeon's College commitment to the highest quality standards and the professional exercise of its new powers. As a degree awarding authority, Spurgeon's College is actively assisting in securing the provision of theological education in the UK at university level, which could be strategically important.

Spurgeon's College continues to 'teach-out' programmes that have students on validated programmes of the University of Manchester and Liverpool Hope University. It is an approved partner of the Institute of Pastoral Counselling and is an approved teaching centre for the Counselling and Psychotherapy Central Awarding Body or CPCAB.

Spurgeon's College is regulated by the Office for Students (OfS) and subscribes to the Higher Education Statistics Agency (HESA), which collects, processes and publishes data about higher education in the UK, and the Office of the Independent Adjudicator (OIA), the independent body set up to review student complaints.

The College is also a member college of the Baptist Union of Great Britain, and a member of the Evangelical Alliance and the Micah Network.

Organisational structure and decision making

The management of the College is vested in the Board of Governors. The governors are directors of the company limited by guarantee and trustees of the charity. The Board meetson at least four occasions each year and is responsible for delivery of the College's charitable objects, setting the strategic direction and upholding the values of the College.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023

The Council is the body to whom the governors are accountable. The Council also provides advice, acts in advocacy for the College and appoints the governors. The Council comprises:

- up to twelve members appointed by the current members of the College Conference (former students);
- for each of the London, Eastern and South Eastern Baptist Associations, up to four members, including one Regional Minister and up to three Lay Members who are interested in furthering the work of the College, appointed by the directors of the Associations;
- up to three representatives of the Particular Baptist Fund appointed by the Managers of the Fund;
- the governors;
- the Deputy Vice-Chancellor, the Academic Director and Dean of Ministerial Formation;
- up to six members of College staff including three tutorial staff and three other members of staff;
- one representative of the Baptist Union of Great Britain appointed by its trustees;
- one representative of BMS World Mission appointed by its trustees;
- up to three representatives of the student body;
- up to three people co-opted by the Governors in liaison with ecumenical bodies in South London; and
- up to four other people co-opted by the Governors.

The Board of Governors is assisted in its work by a number of advisory committees formed of governors, Council members, College supporters and members of staff. The Board sets the terms of reference for each committee, which are reviewed regularly, and appoints committee members with relevant expertise and experience. The advisory committees meet as and when required, provide minutes of each meeting to the governors, and also report on their activities to the annual general meeting of the Council.

The advisory committees are as follows:

- Buildings Group – provides advice and assistance on all matters concerning the College properties;
- Marketing, PR and Income Generation Group – provides advice and assistance on all matters concerning income generation, including recruitment, and promotion of the College activities;
- Equality, Diversity and Inclusion Monitoring Group - advises on matters relating to equality, diversity and inclusion issues and ensures compliance with the law and best practice;
- Finance Committee - provides advice and assistance on all matters concerning the College finances;
- Audit & Risk Committee – provides advice and assistance on all matters concerning risk management and audit;
- Governance Group – provides advice and assistance on all matters concerning governance;
- Nominations Group - provides advice on the selection of new governors;

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023

- Academic Board – oversees the courses, standards and outcomes of the courses offered throughout the College;
- Access and Participation Monitoring Group – monitors and evaluates the implementation of the College's Access and Participation Plan.

The Academic Board is the body entrusted by the governors with overseeing the educational work of the College. The members during the year ended 31st July 2023 were as follows:

- Rev'd Prof Philip McCormack, Principal* (Chair);
- Katie Walsh* (Senior Registrar), Rev'd Dr Stephen Wright* (Academic Director), Rev'd Seidel Abel Boanerges*, Rev'd Dotha Blackwood*, Mr Rob Bradshaw*, Dr Thomas Breimaier*, Linda Campbell*, Adrian Lock, Laura Lock, Dr Debra Reid*, Dr Zoltan Schwab*, Dr Joshua Searle*, Revd Dr Pete Phillips*, Dr Jonas Kurlberg*, Deborah Waweru-McDowall;
- Representing the associate and online tutors: Rev'd Simon Jones*, Dr Terry Wright;
- Representing the College of Preachers: Rev'd Dominic Robinson;
- Counselling course leader: Rev'd Martin Stokley;
- Representing the Governors: Prof Sir Les Ebdon;
- Representing the Council and also wider academic life: Christine Dunmow;
- Representing wider academic life: Prof. James Carpenter; Prof. Geoffrey Cook; Prof. Jerry Forrester; Dr Trevor Stammers and Prof. Andrew Thomason;
- Three representatives of undergraduate students (from different pathways) and up to three representatives of postgraduate students (from different pathways).

*Denotes members of staff who are remunerated for their service relating to the teaching and administrative activities of the College rather than in their role as members of the Academic Board.

The Board delegates the management of all operational, financial and academic matters to the Vice-Chancellor/Principal who in turn delegates relevant activities to the senior management of the College, the Heads of Departments: the Deputy Vice-Chancellor/Chief Operating Officer; the Academic Director; and the Dean of Ministerial Formation.

The Heads of Departments are invited to attend each Board meeting and are required to provide a report detailing the activities of their departments to inform Governors of their oversight of each department.

Governor recruitment and appointment

The Board of Governors comprises not less than nine and not more than 13 members. The quorum for the transaction of the business is the greater of one third of the governors or three.

At every annual general meeting one-third, or the number nearest to (but not greater than) one third of the governors (other than the Principal (ex-officio) and Student Governor (appointed by the governors)) retire from office but are eligible for re-appointment by the Council members. Governors, other than the Principal and Student Governor, are normally appointed for a term of three years. They serve for no more than nine years unless the governors exceptionally resolve to permit a further term for no more than one governor at a time. The Student Governor is appointed for a term of one year renewable for further periods of one year up to a maximum of four years.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2023

The Board of Governors has the power to co-opt new governors but those co-opted have to stand for election at the following annual general meeting. Co-options are made on the recommendation of the Nominations Group whose members review the skills matrix of the Board and role descriptions, and identify suitable candidates for appointment to the Board. Candidates are recruited from direct approaches, recommendations and referrals, and by advertising, as appropriate. The Board endeavours to reflect the diversity of the student body in its own composition, ensuring there is diversity of gender, age, ethnicity and denominational allegiance. Potential new governors meet the Nominations Group to discuss the role requirements.

Following appointment, all new governors are issued with a Governance Handbook and other appropriate documentation. Guidance is given on the roles and responsibilities of being a charity trustee and governor, and on the College's governance structure. Meetings with key College personnel are arranged.

Remuneration

The governors are committed to ensuring a balance between paying staff to attract and retain the best people for the job and careful management of charitable funds.

In determining the remuneration paid to academic staff, the governors are cognisant of the remuneration given to those working in similar roles in other theological and Bible Colleges, and to ministers in the Baptist Union. Where possible, remuneration attached to jobs in support functions is benchmarked against similar jobs in the local jobs market. Cost of living increases may be awarded annually to all staff on the basis of a recommendation from the Finance Committee in the context of the annual budget setting process, following consideration of the increase in Retail and Consumer Price Indices and the College's financial position.

Appointment of Chancellor

In April 2023, the College installed Pastor Rick Warren as its first honorary Chancellor. The Chancellor acts as the ceremonial figurehead of the College, with formal responsibilities. Dr Warren is the founding pastor of Saddleback Church in California and author of the best-selling *The Purpose-Driven Church* and *The Purpose-Driven Life*. As Chancellor, Pastor Warren will play a key role in supporting the vision of the College to train men and women for Christian mission, ministry and leadership in the contemporary world. Through his global reach, Pastor Warren reaches millions of people every day with a message of Christian hope. The impact of the appointment of Pastor Rick Warren as the first Chancellor of Spurgeon's College is potentially significant, particularly in regard to increased student recruitment, potentially from multiple countries, and in assisting the College in its fundraising activities.

Objectives and activities

Objects

The College's charitable objects are to advance the Christian religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices usually called evangelical, in particular through the provision of education, training, vocational preparation and support to Christians for mission and ministry.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2023

Our Mission

To train men and women for Christian mission, ministry and leadership in the contemporary world.

Our Vision

The College draws its vision from three sources:

- a. *A confessional foundation* – established by CH Spurgeon in 1856 as the Pastors' College, Spurgeon's College is a Christ-centred, evangelical college in the Baptist tradition, engaged in biblical and theological education;
- b. *A formative ethos* – this flows from our life as a community that meets daily for worship, where preparation for Christian service is enriched by the practice of gathering daily as a community to glorify God, who is Father, Son and Holy Spirit;
- c. *A geographical location* – the College is intentionally London based, with a national focus and a global reach.

The College Vision, approved in 2018 is:

- To cultivate a creative learning environment allowing every student to develop spiritually, academically, emotionally and socially;
- To deliver a relevant, structured curriculum tailored to training men and women for mission, ministry and leadership for all who wish to deepen their understanding of the Scriptures and theology;
- To develop the College's position, in the global and diverse city of London, as a research-led, experience-based, centre of excellence delivering positive outcomes for students;
- To maintain the highest professional and ethical standards in every area of College life.

Work has commenced on drafting the next iteration of our Vision.

Our Values

As a Christian Higher Education Theological College our values are directly drawn from and aligned with biblical principles, in particular:

- We believe in the inherent moral equality, dignity and worth of every individual;
- We value the unique distinctiveness of each member of the College community;
- We celebrate the richness of being a diverse and inclusive community;
- We believe that as a community meeting daily for worship we must be careful to listen to God and discern his will and purpose;
- We will promote the general wellbeing of all members of the student community and College staff;
- We are committed to assisting every student in reaching their potential.

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The College's Values are consistent with and build upon 'The 7 principles of public life'¹ often referred to as the 'Nolan Principles.'

Students

The College's main activity is the provision of excellent education in a supportive environment, in particular training those called to Christian mission, ministry and leadership in the contemporary world is the provision of theological education and ministerial and practical training for Christian mission and ministry. Spurgeon's is a welcoming and inclusive community – we believe that all are created in God's image and loved by him, so we value each student and their unique contribution to the corporate life of the College.

Spurgeon's College continues to prepare candidates for ordination to Baptist ministry within the Baptist Union of Great Britain, and train pastors and leaders from other denominations. The College also includes students who are pursuing a theological education for its own merits in its diverse learning community, and this further enriches the life and experience of all community members. Since its foundation, over 5,000 churches worldwide have been served by Spurgeon's ministers and its trained ministers are active in over 35 countries. The College has also developed post-graduate provision for continuing ministerial development training and has a thriving post-graduate research community. It offers other accessible training packages for church members seeking to serve in lay capacities or pastoral supervision roles. The College's counselling provision continues to grow and flourish and is considered a gold standard in the provision of counselling education in the South of England. One of the new programmes the College is working on is a new undergraduate degree in counselling, which will be qualifying.

Public benefit

The governors carefully consider the Charity Commission's guidance on public benefit in determining what work is done, and the guidance informs the College's aims, plans and activities. The governors take seriously their responsibility to offer high quality academic provision that also represents value for money to students and to taxpayers.

Those who benefit from the College's work directly are the students. Those who study and/ or train for ministry, both ordained and lay, and also, indirectly, those who worship in and benefit from the ministry of churches in the UK and around the world which are served by students and former students. Those who study to become professional counsellors and enrich their community through the skills they learn at Spurgeon's College.

The students benefit through:

- Enhanced knowledge and skills;
- Academic and professional study and qualifications;
- Broadened perspectives on faith and the world;
- Deeper and stronger personal spirituality gained from living, studying and worshipping in a Christian community.

¹ See <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

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The benefit to the general public comes through:

- Leadership by properly trained and equipped ordained ministers, lay leaders and counsellors of churches which are open for public worship;
- Leadership of and involvement in Christian charitable and social action work by current and former students of the College who have been motivated, inspired and equipped by their courses at College.

The governors ensure the courses at Spurgeon's College are designed for those who seek to further their knowledge of Christian theology or train for Christian ministry and train to become counsellors. Whilst the College is part of the Baptist Union of Great Britain, a wide variety of church traditions are represented within the student body and the content of the courses offered reflects this diversity.

The College's *Access and Participation Plan* demonstrates the College's commitment to fair access and opportunity. This is reflected in key data included in the TEF panel statement on the College's submission to the Teaching Excellence Framework 2023. The data showed that 50% of students would be eligible for Free School Meals, 36.4% come from Indices of Multiple Deprivation (IMD) quintiles 1 and 2, 79.8% are mature and demographically the student body is diverse: 52.6% White, 35% Black, 6.3% Asian, 3.1% Mixed and 1.9% Other. The College's senior management keep access and participation at the heart of its approach to recruitment and as a consequence has worked in partnership with the New Testament Church of God, a majority Black denomination in the UK, in developing a validated programme to train its ministers. Student recruitment onto this new programme will increase the number of Black students studying on a Spurgeon's validated degree.

Fees are set at rates which are appropriate bearing in mind similar courses offered by other Baptist and Bible colleges and centres delivering counselling courses. All courses are subsidised as the income from fees is less than the cost of providing courses. Donations and legacies from supporters, income derived from use of properties and assets, and investment income, all contribute to the subsidy.

Students who are training for the Baptist ministry have access to the Baptist Union Bursary Fund. They and other students have access to bursary funds administered by the College and to grants from charitable trusts. The College is active in ensuring that students with financial needs have information about raising money to fund their training and are able to apply for bursaries.

Civic contribution

As a higher education institution with the same powers as any UK university to create, validate and offer academic degrees, the College has consciously worked to develop the civic role it quietly plays in the local life of Croydon. During the Covid-19 pandemic, the College became aware of a community lunch club, serving senior citizens with specific needs, that had been made homeless. For the last two years the College has hosted the lunch club two days per week, free of charge, with lunch club staff using the College's industrial class kitchen facilities to prepare and cook hot meals for their clients. The two distinct groups that form the lunch club look forward to their weekly visit to the College and students on a ministerial track have enjoyed their interaction with a wonderful group of people from the local community.

The College's proactive engagement with local community groups resulted in it becoming aware of Amity Youth Development, a community organisation working with young people

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aged 17 – 30 who live in the London and Greater London Region. Amity supports young people by helping them to enter into employment, education or training. The College continues to provide Amity with an office and classroom within its main educational facility to use. To date, scores of young people have been trained by Amity at Spurgeon's and have gone into employment or further education.

One of the main civic contributions the College quietly makes to the community in Croydon and more widely across the UK, is the work its ministers in training do within their local communities through their ministerial placements in local churches. In the financial year to 31st July 2023, over 50 ministerial students from Spurgeon's worked as ministers in training in local churches, often as the sole minister. The impact of this ministry upon local communities is often immense. Many churches run foodbanks and provide vital community support to the most marginalised within those communities. The academic and theological studies undertaken by the College's ministers in training is put into practice in scores of villages, towns and cities across the country. College staff actively deliver placement support for ministers in training and ensure that both the student and the local church is supported.

The College continued to work closely with the Borough of Croydon in 2023, hosting the newly elected Executive Mayor Jason Perry on a number of occasions. It has worked closely with Council Officers to identify the educational provision required for the residents of Croydon and the needs of employers seeking graduate employees. The Vice and Deputy-Vice Chancellor have discussed with the Executive Mayor and key Council Officers, the potential for a Business Leaders breakfast with a focus upon employment needs and how the College's programme of designing and delivering new degree programmes can contribute to address any shortfall. This potential diversification of educational offer will not only assist in possible regeneration of the local community but also contribute to the improving financial position of the College moving forward.

Additional public interest governance principles

The governors monitor good practice within both the charity and Higher Education sectors. This means that Spurgeon's College is seeking to align its governance processes, in regard to Higher Education, with the current guidance from the Committee of University Chairs contained in The Higher Education Code of Governance². The governors are satisfied that adequate and effective measures are in place to ensure that when the College is in receipt of public funds they are appropriately used, in line with the conditions of the grant and the principles of regularity, propriety and value for money to protect the interest of taxpayers and consistent with its Charitable objects.

Volunteers and Donors

The College's work is supported by a number of volunteers whose contribution is invaluable and underpins the success of the College. In addition to those involved with the College's governance, volunteers assist with the Library, with the Learning Enhancement Department, with church placements, and in various administration support roles.

In its 167-year history, the College has benefited from the generosity of its supporters and donors. The College has remained faithful to the desire of its founder Charles Spurgeon that it

² See <https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf>

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should live by faith. The many small and large donations both encourage and practically help the College to remain faithful to its mission and vision and the governors wish to acknowledge the kindness of its stakeholders, friends and supporters.

Strategic report

Agreed strategy

The progress in relation to the College's objectives as defined in 2018 is reported as follows:

- a. To register with the Office for Students as soon as possible after 31st August 2018 in the Approved (Fee Cap) category.

The College was registered with the Office for Students in November 2019 and therefore this objective has been achieved.

- b. To apply for and achieve Taught Degree Awarding Powers from the Office for Students by August 2019.

The College applied for Taught Degree Awarding Powers (TDAPs) in September 2020. It was awarded Full TDAPs 18 May 2022 and therefore this objective has been achieved.

- c. To secure 'indefinite' Taught Degree Awarding Powers.

This cannot be requested until September 2025.

- d. To apply for Research Degree Awarding Powers (RDAPs) upon securing 'indefinite' Taught Degree Awarding Powers.

The College will work towards applying for RDAPs in 2023 with the intention of making an application in September 2024.

- e. To explore attaining university title once indefinite Taught Degree Awarding Powers have been secured.

Objectives, c, d and e will be pursued once Taught Degree Awarding Powers are achieved.

- f. To provide excellent and continually improving levels of education, formation and learning resources for all students across the board.

The College continues to provide excellent and continually improving levels of education, formation and learning resources. The NSS results for 2022 reveal that the College had a score of:

Area	Score	Benchmark
overall satisfaction	94.1%	87.9%
the teaching on my course	95.6%	91.1%
learning opportunities	90.2%	86.7%
assessment and feedback	89.7%	79.8%
academic support	90.2%	79.5%
organisation and management	86.3%	82.9%
learning resources	86.3%	82.9%
learning community	87.5%	69.4%
student voice	82.35%	68.55%

Student feedback at a unit, course and institution level also records high rates of satisfaction. Continued registration with the Office for Students and the

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College's continuing commitment to excellence demonstrates the College's commitment to continually improve.

- g. To encourage and facilitate access and participation in Higher Education.

The governors have commissioned and implemented an Access and Participation Plan (2020/21 to 2024/5) which is available on the College website and is monitored by the Access and Participation Monitoring Group, chaired by a governor.

- h. To develop a school and community outreach programme, utilising our connections with our existing and new partnerships, to encourage young people from all backgrounds to consider Higher Education.

The Principal and COO continue to discuss with Croydon Council ways in which the College could help raise attainment of the young people within the borough. The Community Worker continues to actively reach out to and work with community groups in South Croydon and engaging with local secondary schools.

- i. To foster relationships with the growing church, especially in relation to the growing Black, Asian and Minority Ethnic (BAME) movements in London and the UK.

The College has a formal partnership with the New Testament Church of God to assist it in designing university level ministerial training and formation programmes. The first validated programme saw its first cohort starting in September 2023.

- j. To explore with leaders from the BAME communities the creation of a range of bursaries and scholarships to encourage students from Under-Represented Groups to study at Spurgeon's College.

The College committed itself to give student bursaries and scholarships to those from BAME and IMD communities with household incomes under £25,000 in 2021/22. This commitment was honoured in the reporting period of this report.

- k. To develop the College's capacity to resource the churches locally in London and nationally across the United Kingdom.

The College's investment in its digital capabilities ensured that during this reporting period it continued to resource churches in London and across the UK. This is evidenced by offering the majority of its academic provision via Distance Learning, maximising its investment in the advanced Panopto system used by 22 out the top 25 universities in the world.

- l. To maintain and develop the College's reputation as a centre of excellence for counselling courses.

The report from CPCAB, in June 2023, praised the counselling centre for continuing to be a centre of excellence.

- m. To develop partnerships with international universities and theological colleges, for example, through our International Distinguished Visiting Scholar programme.

The College continues to be in partnership with Anderson University in South Carolina and is engaged in continuing talks with a number of international partners, with whom the College is forming partnerships and programmes.

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- n. To foster and develop partnerships with international Baptist Associations and Unions.

The Vice-Chancellor is a member of the Baptist World Alliance of Churches giving the opportunity to develop relationships and discuss strategic partnerships.

- o. To deliver capital build projects that contribute to the research and Higher Educational objectives of Spurgeon's College.

- p. Manage our building portfolio to support the delivery of the capital build projects.

The planning permission application submitted for the Raleigh Park Baptist Church site in Brixton was granted in the previous reporting period. The sale of this site completed in the current reporting period, releasing substantial funds for the College. The College expects to be in receipt of a new church/community building in January 2024 as part of the development deal completed in the current reporting period.

- q. To develop and maintain a financial strategy that will deliver the College's objectives.

The governors, finance committee and senior management teams continue to monitor and implement the financial strategy adopted by the governors to diversify the income streams of the College through broader educational offering, building development and revenue from property management.

Financial review

General (unrestricted) fund

The College recorded a deficit on the General Fund in 2022/2023 of £2,011,763 (2021/2022, £1,126,666).

The major income stream is the fees charged to students. The College continues to be thankful for the donations and legacies which also contribute to the College's income. The College continued to receive public funds from the Office for Students in the form of a teaching and learning grant. This has been recorded in other income with an explanatory note 2a. It should be noted that the College's accommodation income has continued to be reduced because lettings were not possible due to Covid-19 restrictions. In the 2022/2023 period, 98% expenditure was on charitable activities and 2% on generating funds (2021/2022, 98% and 2% respectively). The College's operating costs remained consistent with the previous year, with staff working to ensure the College was best placed to meet the increased regulatory and reporting burden associated with the Office for Students and the application process for degree awarding powers.

Restricted and endowment funds

A range of restricted funds appear in the accounts, being money donated for specific purposes such as student support through bursaries and enhanced teaching facilities. The governors are grateful for income received that has supported a range of specific projects.

Total income for the year was £79,070 (2022: £105,262) and total expenditure was £126,350 (2022: £126,119). At the yearend total restricted funds were £780,684. Total endowment funds at the yearend were £431,015.

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Investment policy

The College's investment portfolios are managed on a discretionary basis by investment managers. The investment objectives of the respective portfolios are set out in an investment policy statement, which also prescribes the ethical policies to be followed by the investment managers. Investments are managed to achieve a balanced return between income and capital growth, generating income for use for current purposes whilst maintaining the value of investments for the benefit of future students. The Finance Committee conducts a review meeting once a year with the investment managers and the independent financial adviser and reviews the performance of investments regularly.

Reserves policy and future prospects

In accordance with Charity Commission guidance, the governors monitor the level of funds held in unrestricted reserves, recognising the pressures caused by the imbalance between income and expenditure at certain times of the year. Whilst income fluctuates over the course of a College year, salaries and other regular monthly costs continue throughout the year. Given the annual shortfalls between College income and expenditure in recent years, it is also necessary to maintain reserves which can help fund shortfalls as and when they occur whilst the governors continue work to return General Fund income and expenditure after the receipt of donations to equilibrium.

The governors have determined that the optimum level of free reserves should be sufficient to cover six month's budgeted operational expenditure, which equals £1,587,000. This compares with the reported unrestricted free reserves of £342,251 as at 31st July 2022 – see Note 15 "Analysis of Net Assets by Fund" for Total Unrestricted Funds less Fixed Assets and related loan funding (Long Term Creditor). The reserves dipped below this in this financial year, in anticipation of the sale of the heritage asset, which was sold post year end for over £1.6 million. Therefore, subsequent to the year end the reserves will be in line with the reserves policy.

In order to secure the financial future of the College, the governors have been working on a project to release value from the College site to provide an ongoing income stream, an increase in reserves, and new buildings for academic use. In this period continued progress has been made on a major development project which will achieve these aims. A considerable amount of work has been done on a project that will provide a substantial number of housing units for sale and rent whilst protecting the majority of the site for continued use by the College for its purposes. The College has strategically invested in this project in order to maximise the return and had been expecting the planning application to be approved in 2023. Due to a combination of the ongoing impact of Covid-19 restrictions and well-publicised financial pressures impacting upon Croydon Council, the College's planning application is now anticipated to be approved in 2024.

Fundraising activity

The College does not currently employ anyone dedicated to fundraising, nor does it use external fundraisers or commercial participators. The fundraising focus is on developing relationships with College supporters, which is done through the College social media channels, electronic communications and events. It has been more difficult to meet with supporters in the period due to the pandemic. The College has not received any complaints about its fundraising activities and practices.

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COVID-19

Covid-19 continues to impact upon the life of the College community but at a greatly reduced rate than in the 2021-2022 outbreak. In this reporting period the College's response to Covid-19 was removed as a standing item on the Board of Governors agenda but retained the matter for review at one Board meeting in the year.

Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least 12 months from the date of approval of the financial statements. Further detail of this assessment is found in note 1, page 28.

The governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements. The governors recognise that the loan from TAB is due to be repaid in October 2024 and the College is actively seeking to refinance and extend the repayment terms.

Principal risks, uncertainties and opportunities

The College has continued to implement a number of actions that resulted in a comprehensive governance review undertaken in November 2019. The Audit and Risk committee continues to function effectively and is embedded within the College's normal rhythm of operations. The introduction of three new middle managers within the Operations Department, as a consequence of the governance review, continues to yield the anticipated results, which have been and continue to be felt across the institution. To facilitate its strategic intention to assist in securing the provision of theological education, at university level, in the UK and to implement its programme of new degree creation, the College will seek to employ a Head of Validation.

Maintaining the wide variety of activities of the College is not without its challenges and the governors have sought to manage the risks of such a faith undertaking by identifying the areas of major potential risks as: the College's ongoing challenging financial position, where operating income is less than operating expenditure and the College is dependent on receiving charitable donations and legacies and generating income from other sources; failure to comply with legal requirements and OfS regulation; and the loss of key employees and inability to replace key staff effectively.

The College is vulnerable to a decline in student numbers at a time when church attendance is decreasing and congregations find it more difficult to afford to pay a minister, and the economic situation makes it harder for students to afford even the subsidised fees charged. Many independent theological and bible colleges are struggling to attract sufficient numbers of students and are facing financial problems. The College's location in London with a growing and diverse church scene, its evangelical tradition, the TEF Triple Gold award enhancing its reputation for excellence, the variety of courses and modes of study offered, and the introduction of two new degree programmes each year will continue to help mitigate the risk of a decline in student recruitment.

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As set out in the financial review section above, a considerable amount of work has been done to realise value from the College's site to ease the challenging financial position. The proposed major development will provide a one-off increase in reserves and provide the opportunity for the College to build new academic buildings. The new academic facilities will provide substantial increased capacity to increase student numbers on its expanding university offer. In this reporting period the College continued to make progress in refining its plan to develop the site to help secure the financial future of the College.

The project to develop the site of Raleigh Park Baptist Church, which closed 31 December 2018, successfully achieved full planning permission. The site was offered for sale in 2021 and received a number of competitive offers from developers. The sale of the site in 2022 delivered a significant financial return, including the provision of a church hall which will come under the ownership of the College in January 2024. This project evidences the College's ability to deliver imaginative projects to support the primary business of the institution.

The Governors are aware that the College compares well on cost per student in all areas other than regulation and compliance: due to the size of the student body, the cost of fees paid to regulatory bodies, staff costs in academic administration, regulation and compliance areas, and IT costs associated with these areas, is considerably higher per student than for other larger HE providers. This is a source of concern and every effort is made to operate efficiently and cost effectively.

The continued highly respected reputation of the College is crucial to its existence. The College participates actively in the Baptist Union of Great Britain and Evangelical Alliance, and maintains links locally, nationally and internationally. The Council, College Conference (alumni network) and the College's supporter base play a key role as ambassadors for the College.

Governors' responsibilities for the financial statements

The governors (who are also directors of Spurgeon's College for the purposes of company law) are responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices including FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in business.

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and which enable them to ensure that the financial statements comply with the Companies Act 2006.

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They are also responsible for safeguarding the assets of the charitable company and hencefor taking reasonable steps for the prevention of fraud and other irregularities.

Disclosure of information to auditors

To the knowledge and belief of the governors, there is no relevant information that the College's auditors are not aware of, and the governors have taken all the necessary care to ensure and establish that the auditors are aware of any relevant information.

Auditors

Moore Kingston Smith LLP will be proposed for reappointment in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 15 January 2024.

Signed on behalf of the governors:



LES EBDON

Chair

15 January 2024

SPURGEON'S COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

Opinion

We have audited the financial statements of Spurgeon's College ('the charitable company') for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve 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, other than the financial statements and our auditor's report thereon. The trustees 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

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 there is 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 the audit:

- the information given in the report of the governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the governors.

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

- adequate 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 trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the governors and from preparing a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees;
- conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- we obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation;
- we obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance;
- we assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance;
- we inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations;
- based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

SPURGEON'S COLLEGE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

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. 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date 15/01/2024

9 Appold Street
London
EC2A 2AP

**STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31st JULY 2023**

		Unrestricted Funds	Restricted Funds	Endowment Funds	2023 Total	2022 Total
	Note	£	£	£	£	£
Income from:						
Grant And Fee Income	2a	765,767	54,455	-	820,222	919,643
Donations And Legacies	2b	266,640	10,345	-	276,985	184,355
Income From Charitable Activities	2c	47,055	1,632	-	48,687	23,448
Investment Income	3a	12,606	12,038	-	24,644	16,583
Other Income		70,642	600	-	71,242	48,026
Total Income		1,162,710	79,070	-	1,241,780	1,192,055
Expenditure						
<i>Raising Funds</i>						
Costs of raising voluntary income	4	57,220	3,513	5,781	66,514	24,683
<i>Charitable activities</i>						
Student-related expenditure	5	3,117,253	117,056	-	3,234,309	2,274,310
Total expenditure		3,174,473	120,569	5,781	3,300,823	2,298,993
Net expenditure before gains on investments		(2,011,763)	(41,499)	(5,781)	(2,059,043)	(1,106,938)
Transfers between funds		-	-	-	-	-
Gain/(Loss) on the sale of fixed assets		130,000	-	-	130,000	372,531
Gain/(Loss) on Investments		(2,866)	-	(11,966)	(14,832)	(8,478)
Movement in funds		(1,884,629)	(41,499)	(17,747)	(1,943,875)	(742,885)
Gains/(Loss) on revaluation of fixed assets		395,302	-	-	395,302	472,000
Actuarial gains on DB Pension Scheme		-	-	-	-	-
Net movement in funds		(1,489,327)	(41,499)	(17,747)	(1,548,573)	(270,885)
Fund balances b/fwd		7,594,255	822,188	448,762	8,865,205	9,136,090
Fund balances c/fwd at 31st July 2022		6,104,928	780,689	431,015	7,316,632	8,865,205

All amounts relate to continuing activities and there are no recognised gains or losses other than those included above

The notes on pages 28 to 39 form part of these financial statements

**STATEMENT OF FINANCIAL ACTIVITIES - DETAILED COMPARATIVE FIGURES
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

		Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total
	Note	£	£	£	£
Income from:					
Grant And Fee Income	2a	868,426	51,217	-	919,643
Donations And Legacies	2b	143,603	40,752	-	184,355
Income From Charitable Activities	2c	21,816	1,632	-	23,448
Investment Income	3a	4,922	11,661	-	16,583
Other Income		48,026	-	-	48,026
Total Income		1,086,793	105,262	-	1,192,055
Expenditure					
<i>Raising Funds</i>					
Costs of raising voluntary income	4	18,432	-	6,251	24,683
<i>Charitable activities</i>					
Student-related expenditure	5	2,195,027	79,283	-	2,274,310
Total expenditure		2,213,459	79,283	6,251	2,298,993
Net expenditure before gains on investments		(1,126,666)	25,979	(6,251)	(1,106,938)
Transfers between funds		(25)	25	-	-
Gain/(Loss) on the sale of fixed assets		372,531	-	-	372,531
Gain/(Loss) on Investments		(1,589)	-	(6,889)	(8,478)
Movement in funds		(755,749)	26,004	(13,140)	(742,885)
Gains/(Loss) on revaluation of fixed assets		233,000	239,000	-	472,000
Actuarial gains on DB Pension Scheme		-	-	-	-
Net movement in funds		(522,749)	265,004	(13,140)	(270,885)
Fund balances b/fwd		8,117,004	557,184	461,902	9,136,090
Fund balances c/fwd at 31st July 2022		7,594,255	822,188	448,762	8,865,205

BALANCE SHEET
AS AT 31st JULY 2023

		2023	2023	2022	2022
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8	11,212,742		10,473,354	
Investments	9	501,778		534,045	
			<u>11,714,520</u>		<u>11,007,399</u>
Current Assets					
Property to be sold	8	-		540,000	
Debtors & Prepayments	10	1,109,784		311,609	
Cash	15	<u>520,578</u>		<u>329,490</u>	
		1,630,362		1,181,099	
Creditors : Amounts falling due within one year					
Creditors & Accruals		594,674		617,505	
Fees received in advance		<u>54,631</u>		<u>48,205</u>	
	11a	649,305		665,710	
Net Current Assets			981,057		515,389
Total assets less current liabilities			<u>12,695,577</u>		<u>11,522,788</u>
Creditors: amounts falling due after more than one year	11b		5,378,945		2,657,583
Provisions for Defined Benefits Pension Schemes	16		-		-
Net Assets			<u>7,316,632</u>		<u>8,865,205</u>
Represented by Funds					
General Funds	15		6,104,928		7,594,255
Total Unrestricted Funds			<u>6,104,928</u>		<u>7,594,255</u>
Restricted Funds	13		780,689		822,188
Endowment Funds	14		431,015		448,762
	15		<u>7,316,632</u>		<u>8,865,205</u>

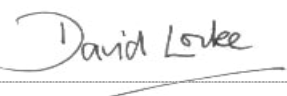
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 28 to 39 form part of these financial statements

Approved by the Governors on 15 January 2024 and signed on their behalf by:



Professor Sir Les Ebdon
CHAIR



David Locke
HONORARY TREASURER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st JULY 2023**

	2023 £	2023 £	2022 £	2022 £
Cashflows from operating activities				
Net Expenditure	(1,943,874)		(742,885)	
Adjustments for:				
Depreciation	23,951		30,453	
Loss/(Gain) on investments and investment property	14,833		8,478	
Decrease/(increase) in debtors	(798,176)		49,223	
Increase/(Decrease) in creditors (including loans)	(16,405)		(226,491)	
(Increase)/Decrease in current loans	5,154		201,544	
Increase/(Decrease) in pension provisions	-		(79,475)	
Investment Income	(51,531)		(40,030)	
Interest payable	673,983		163,372	
Loss/(Gain) disposed fixed assets	(130,000)		(372,531)	
	<u>(278,191)</u>		<u>(265,457)</u>	
Cash flows used in operations		(2,222,065)		(1,008,342)
Cash flows from investing activities				
Proceeds from sales of tangible assets	670,000		1,550,000	
Proceeds on disposal of investments	149,775		110,892	
Investment Income	51,531		40,030	
Purchase of Property, Plant and Equipment	(368,036)		(513,020)	
Purchase of investments	(132,341)		(95,643)	
		370,929		1,092,259
Cashflows from financing				
Interest paid on loans		(673,983)		(163,372)
Proceeds from new loans	5,050,000		1,834,467	
Repayment of loans	(2,333,793)		(1,634,476)	
		<u>2,716,208</u>		<u>199,989</u>
Net increase/(decrease) in cash		<u>191,088</u>		<u>120,536</u>
Cash at the beginning of the year		<u>329,490</u>		<u>208,954</u>
Cash at the end of the year		<u>520,578</u>		<u>329,490</u>

Analysis of cash and cash equivalents and changes in net debt

	At 1st August 2022 £	Cashflows £	At 31st July 2023 £
Cash at Bank	329,490	191,088	520,578
Loans	(3,002,099)	(2,716,208)	(5,718,307)
	<u>(2,672,609)</u>	<u>(2,525,120)</u>	<u>(5,197,729)</u>
	At 1st August 2021 £	Cashflows £	At 31st July 2022 £
Cash at Bank	208,954	120,536	329,490
Loans	(2,802,110)	(199,989)	(3,002,099)
	<u>(2,593,156)</u>	<u>(79,453)</u>	<u>(2,672,609)</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2023

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and accordance with The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis, except as stated in sub paragraph 1.5. The charity meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The governors have considered the fact that the timing of the repayment of a loan included within long term creditors is uncertain due to delays in granting planning permission on a site owned by the charitable company held for development, which has been agreed to be sold to a developer. This loan is currently due for repayment in October 2024 however it is not known whether planning permission will be granted and the site sold by that date. The charitable company has approached its finance broker to explore the possibility of refinancing or extending the loan in the event that they are not able to settle this before it falls due for repayment.

After having held positive discussions with its finance broker and the developer, the governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future, and as a result they continue to adopt the going concern basis of accounting in preparing the financial statements. The governors have made this assessment for a period of at least 12 months from the date of approval of the financial statements.

As described in note 21 (Post balance sheet events), subsequent to the year end the College sold its Spurgeon heritage collection, which has significantly improved its cashflow in the short term and has strengthened the liquidity position of the Charitable Company.

1.3 Student fees, grants receivable, income from student accommodation and donations

Fees are recognised in the year to which they relate. Where debts exceed 3 years a 100% provision is made.

1.4 Legacies

Legacies are normally accounted for when received, and adjusted for legacies notified during the year but received after the year end.

1.5 Fixed assets and depreciation

The company owns the land and buildings of the college site at Spurgeon's College, South Norwood Hill, London SE25 6DJ.

In the past, the charity has taken the advantage of the option to use the value of land and buildings at the date of transition to FRS 102 (1st September 2014) as deemed cost and no depreciation was charged in respect of freehold land and buildings.

During the 2020/21 year, the trustees chose to change the accounting policy to hold land and buildings at fair value. The trustees believe that this gives a more reliable reflection of the company's ability to fulfil its charitable objects. The land and buildings have been revalued as per a report prepared by Gerald Eve reflect the existing education buildings in their current condition. This gave a value for the existing buildings of £7,500,000.

Properties are maintained in a good state of repair prolonging their useful life and enhancing their residual value. The directors consider the useful economic life of the property to be in excess of 50 years, and that it did not diminish during the period under review. Consequently, no charge for depreciation is made.

The Trustees carry out an annual review to consider the useful life and estimated residual value of the properties; this includes reviewing for any impairment.

Tangible fixed assets costing £1,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets calculated to write off the cost on a straight line basis over their expected useful economic life as follows:-

Computer equipment	3 years	Heating Plant	10 years
Furniture and office equipment	5 years	Building improvements	20 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

1.6 Investments

Investments are stated in the financial statements at market value.
The historical cost is set out in Note 9.

1.7 Funds

Certain items of income and expenditure which relate to such funds created for specific purposes are taken directly to the appropriate restricted and endowment funds.

1.8 Taxation

The College is a registered charity under the Charities Act 2011 & has been recognised by Her Majesty's Revenue and Customs. Therefore no liability to corporation taxation arises on its charitable activities.

1.9 Expenditure

Expenditure is accounted for on an accruals basis. All charitable expenditure in furtherance of the charity's objectives relate to the provision of educational services. Costs of raising funds includes cost directly attributable for the provision of the charitable objectives.

1.10 Operating Lease Policy

Rentals payable under operating leases are charged on a straight line basis to the statement of financial activities over the term of the lease.

1.11 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the governors to have the most significant effect on amounts recognised in the financial statements.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

See note 8 for the carrying amount of the property, plant and equipment and note 1.4 above for the useful economic lives for each class of asset.

1.12 Corporate Governance and Internal Control

The College Board of Governors is responsible for the statutory oversight of the College to ensure it meets the standards of a charity, a company and a higher education institution which has access to public funds. In doing so it recognises the core values and primary elements of governance as set out in the Committee of University Chairs (CUC) Higher Education Code of Governance. The Board is responsible for ensuring the the College has in place the physical and human resources to meet the needs of its students and for ensuring the enhancement of the learning experience and the maintenance of its academic standards. The directors meet for full Board meetings at least six times per academic year with additional meetings held with the agreement of the Chair of the Board. The College Principal and Senior Management Team keeps the Board informed of all relevant activity and the governors undertake all relevant and necessary training. The Principal is a member of the board and the College executive are always in attendance at Board meetings. The College conducts its business through the following committees, which all have core external committee members:

- Academic Board
- Governance Group
- Equality, Diversity and Inclusion Monitoring Group
- Finance Committee
- Audit and Risk Committee
- Access and Participation Monitoring Group
- Nominations Committee
- Process Monitoring Group
- Development Group
- Marketing, PR and Income Generation Group
- Safeguarding Committee

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2023 Total £	2022 Total £
2a GRANT AND FEE INCOME					
Grant income from OfS	12,387	854	-	13,241	11,880
Grant income from other bodies	-	53,601	-	53,601	51,217
Fee Income for taught awards (ex VAT)	494,140	-	-	494,140	615,655
Fee income for research awards (ex VAT)	-	-	-	-	3,750
Fee income from non-qualifying courses (ex VAT)	224,887	-	-	224,887	214,299
	731,414	54,455	-	785,869	896,801
Taught grant and fee income					
Validation activities	30,000	-	-	30,000	-
Discounts and unrecovered charges	4,353	-	-	4,353	22,842
	765,767	54,455	-	820,222	919,643
2b DONATIONS AND LEGACIES					
Donations	165,496	10,345	-	175,841	151,946
Legacies received	101,144	-	-	101,144	32,409
	266,640	10,345	-	276,985	184,355
2c INCOME FROM CHARITABLE ACTIVITIES					
Accommodation charges	21,800	-	-	21,800	-
Rent from properties	25,255	1,632	-	26,887	23,448
	47,055	1,632	-	48,687	23,448
3a INVESTMENT INCOME					
Dividends and interest on investments	2,591	12,038	-	14,629	14,171
Bank interest	10,015	-	-	10,015	2,412
	12,606	12,038	-	24,644	16,583
4 COSTS OF RAISING FUNDS					
Publicity and Fundraising expenses	55,976	3,513	-	59,489	17,087
Investment Management Charges					
General Fund	1,244	-	-	1,244	1,345
General Bursary Fund	-	-	1,790	1,790	1,935
Pringle Fund	-	-	719	719	777
Vectis Fund	-	-	2,693	2,693	2,913
Copley Fund	-	-	579	579	626
	57,220	3,513	5,781	66,514	24,683

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

5 Student-related expenditure

SUMMARY OF EXPENDITURE				2023	2022
	Unrestricted	Restricted	Endowment	Total	Total
	Funds	Funds	Funds	£	£
	£	£	£		
Tuition Costs	1,230,197	113,688	-	1,343,885	1,245,436
Domestic Costs	170,029	394	-	170,423	137,316
Establishment Costs	254,393	-	-	254,393	208,177
Administration Expenses	1,425,913	2,974	-	1,428,887	645,512
Governance Cost (Note 7)	36,721	-	-	36,721	37,869
	3,117,253	117,056	-	3,234,309	2,274,310
TUITION COSTS					
Tutors' salaries, NI & pension contributions	795,952	-	-	795,952	696,074
Visiting tutors and examining costs	23,740	-	-	23,740	26,022
Travel allowances and expenses	30,375	445	-	30,820	11,365
Computer and network support	169,180	-	-	169,180	191,731
Property expenses	3,389	861	-	4,250	10,560
Student registration and validation fees	98,627	-	-	98,627	134,688
Miscellaneous tuition expenses	41,181	-	-	41,181	38,340
Library purchases	47,191	-	-	47,191	43,040
Depreciation of computer equipment	5,701	-	-	5,701	9,240
Student support and other disbursements	14,861	112,382	-	127,243	84,376
Sundry expenses	-	-	-	-	-
	1,230,197	113,688	-	1,343,885	1,245,436
DOMESTIC COSTS					
Contract Catering	116,638	257	-	116,895	56,442
Domestic expenses	51,478	137	-	51,615	79,379
Depreciation of equipment	1,913	-	-	1,913	1,495
	170,029	394	-	170,423	137,316
ESTABLISHMENT COSTS					
Light and heat	90,491	-	-	90,491	51,280
Rates and insurance	28,637	-	-	28,637	28,738
Repairs and maintenance	36,060	-	-	36,060	31,589
Repairs - Nurseries House	(11)	-	-	(11)	2,718
Salaries, NI and pension contributions	82,880	-	-	82,880	74,134
Depreciation	16,336	-	-	16,336	19,718
	254,393	-	-	254,393	208,177
ADMINISTRATION EXPENSES					
Salaries, NI and pension contributions	356,768	-	-	356,768	345,735
Printing postage and stationery	23,522	180	-	23,702	25,202
Telephones	17,101	-	-	17,101	17,003
Travel, Training and entertaining	624	-	-	624	747
Finance expenses	933,846	-	-	933,846	218,653
Professional fees	85,014	-	-	85,014	27,713
Sundry Expenses	8,210	2,794	-	11,004	10,125
Equipment	828	-	-	828	335
	1,425,913	2,974	-	1,428,887	645,513

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

6 ACCESS AND PARTICIPATION

	2023	
	Actuals £	Per Plan £
Access Investment	12,000	12,000
Financial Support	64,828	60,850
Research and Evaluation	10,000	10,000
	<u>86,828</u>	<u>82,850</u>

7 GOVERNANCE COSTS

General Fund	2023 £	2022 £
Auditors' remuneration Annual audit	34,355	37,141
Governors' expenses reimbursed	2,366	728
	<u>36,721</u>	<u>37,869</u>

8 TANGIBLE FIXED ASSETS

	Properties £	Building improvements £	Equipment £	Assets Under Construction £	TOTAL £	Current Assets To be sold £
For use by Charity						
Cost & Valuation						
At 1st Aug 2022	9,210,000	186,578	200,895	1,188,547	10,786,020	540,000
Revaluations	-	-	-	395,302	395,302	-
Additions	-	-	5,984	362,052	368,036	-
Transfer to current assets	-	-	-	-	-	-
Disposals	-	-	(64,397)	-	(64,397)	(540,000)
At 31st Jul 2023	9,210,000	186,578	142,482	1,945,901	11,484,961	-
Depreciation						
At 1st Aug 2022	-	130,454	182,212	-	312,666	
Charges	-	15,663	8,287	-	23,950	
Disposals	-	-	(64,397)	-	(64,397)	
Change for the period	-	15,663	(56,110)	-	(40,447)	
At 31st Jul 2023	-	146,117	126,102	-	272,219	
Net Book Value						
At 1st Aug 2022	9,210,000	56,124	18,683	1,188,547	10,473,354	540,000
At 31st Jul 2023	<u>9,210,000</u>	<u>40,461</u>	<u>16,380</u>	<u>1,945,901</u>	<u>11,212,742</u>	-

All fixed assets are held for direct charitable use.

The College had received a legacy receipt of a residential property that had a value of £540,000 which was sold with proceeds of £130,000.

The properties of the college beyond the main site were revalued by Kempton Carr Croft and are now held at market value as at March 2022.

The property of Arodene Road which has been under construction has been valued as at 31/07/2023 at £420,000; the revaluation takes the holding value to this.

The net book value at 31st Jul 2023 represents fixed assets used for charitable purposes. Previously fully depreciated equipment has been disposed in the year under review.

Assets under construction represent costs incurred in the development of the College campus that will be used for a mixture of Charitable and Non-Charitable purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

9 INVESTMENTS

a) Fixed interest and equity-based Investments

	General Fund £	General Bursary Fund £	Pringle Fund £	Vectis Fund £	Copley Fund £	Cudlip Fund £	Total £
At Valuation							
At 1st August 2022	99,354	126,063	50,613	189,688	40,768	27,559	534,045
Purchases	23,438	33,720	13,538	50,740	10,905	-	132,341
Disposals	(26,525)	(38,163)	(15,322)	(57,424)	(12,341)	-	(149,775)
Gains/(Losses)	(2,866)	(3,277)	(1,316)	(4,931)	(1,060)	(1,383)	(14,833)
At 31st July 2023	93,401	118,343	47,513	178,073	38,272	26,176	501,778
Represented by –							
Fixed interest securities	14,158	20,370	8,178	30,650	6,587	-	79,943
Equities	17,320	24,919	10,005	37,496	8,059	-	97,799
Investment & unit trusts	61,922	73,055	29,331	109,927	23,625	26,176	324,036
Value of Investments at Market Value	93,400	118,344	47,514	178,073	38,271	26,176	501,778
Securities at Historical Cost							
At 1st August 2022	84,514	105,980	42,550	159,469	34,273	28,628	455,414
At 31st July 2023	85,949	108,045	43,379	162,576	34,941	28,628	463,518

All these investments are listed on a recognised Stock Exchange or are ones valued by reference to such investments, such as unit trusts and common investment funds.

5% (£26,554) of the portfolio investments are held in CG Absolute Return Fund Class M Shares.

10 DEBTORS

	2023 £	2022 £
Amounts falling due within one year		
Trade debtors	145,670	173,683
Gift Aid receivable	11,078	6,213
Prepayments	924,268	127,293
Sundry debtors	28,768	4,420
	<u>1,109,784</u>	<u>311,609</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

11 CREDITORS

	2023	2022		
	£	£		
a. Amounts falling due within one year				
Loans	339,362	344,516		
Other Creditors & Accruals	232,964	250,202		
Taxation and Social Security	22,348	22,787		
Fees received in advance	54,631	48,205		
	<u>649,305</u>	<u>665,710</u>		
b. Amounts falling due after one year				
Loans	<u>5,378,945</u>	<u>2,657,583</u>		
There are three interest-bearing loans:	Type	Duration left	Rate	Amount o/s
Against 191 South Norwood Hill	Repayment	10 years	BoE base rate + 3.00%	335,321 ^(BUC)
Against 76 South Norwood Hill	Interest	10 months	BoE base rate + 7.00%	332,986 ^(BUC)
Against 189 South Norwood Hill	Interest	1 year	BoE base rate + 10.75%	5,050,000
		Loans falling due within 1 year:	339,362	
		Loans falling due after 1 year:	<u>5,378,945</u>	
		Total:	<u>5,718,307</u>	<u>5,718,307</u>

See note 18 for additional information in relation to these loans.

12 TRANSFERS BETWEEN FUNDS

There have been no transfers this year

13 RESTRICTED FUNDS

	Fund Balance 1st August 2022	Income	Expenditure	Transfers	Fund Balance 31st July 2023
	£	£	£	£	£
Frank Fitzsimmonds Bursary Fund	8,200	-	(1,600)	-	6,600
Baptist Union Bursary Fund	47,898	53,601	(96,314)	-	5,185
General Bursary - Income	17,512	3,727	-	-	21,239
Pringle Bursary - Income	3,497	1,797	(3,382)	-	1,912
Vectis Fund - Income	9,348	5,609	(4,000)	-	10,957
Copley Fund - Income	-	1,205	-	-	1,205
Lamplighters Bursary	13,195	2,930	(4,082)	-	12,043
Conference Communion	175	-	-	-	175
Nott Fund	652,859	1,632	(1,244)	-	653,247
Restricted Gifts	10,226	1,384	(650)	-	10,960
Oversea Student	600	-	-	-	600
Learning Support	474	220	-	-	694
Pioneer Project	20,744	-	-	-	20,744
Principal's fund	4,745	3,835	(6,167)	-	2,413
Student Rep	1,916	-	-	-	1,916
Theology of Law Course	799	2,000	(2,000)	-	799
OfS Hardship Funding	-	378	(378)	-	-
Fund Raiser	30,000	-	-	-	30,000
	<u>822,188</u>	<u>78,318</u>	<u>(119,817)</u>	<u>-</u>	<u>780,689</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

Movements in comparative period

	Fund Balance 1st August 2021 £	Income £	Expenditure £	Transfers £	Fund Balance 31st July 2022 £
Frank Fitzsimmonds Bursary Fund	15,400	-	(7,200)	-	8,200
Baptist Union Bursary Fund	31,023	50,900	(34,025)	-	47,898
General Bursary - Income	13,589	3,923	-	-	17,512
Pringle Bursary - Income	7,747	1,750	(6,000)	-	3,497
Vectis Fund - Income	18,915	5,433	(15,000)	-	9,348
Copley Fund - Income	3,907	1,168	(5,100)	25	-
Lamplighters Bursary	14,917	2,278	(4,000)	-	13,195
Conference Communion	174	1	-	-	175
Nott Fund	412,472	240,632	(245)	-	652,859
Restricted Gifts	12,227	1,206	(3,207)	-	10,226
Oversea Student	600	-	-	-	600
Learning Support	94	380	-	-	474
Pioneer Project	20,744	-	-	-	20,744
Principal's fund	1,059	5,341	(1,655)	-	4,745
Student Rep	2,117	-	(201)	-	1,916
EBA Hardship fund	600	-	(600)	-	-
Theology of Law Course	1,599	-	(800)	-	799
The Rev Dr Curdell McLeod Bursary	-	1,250	(1,250)	-	-
Fund Raiser	-	30,000	-	-	30,000
	557,184	344,262	(79,283)	25	822,188

Frank Fitzsimmonds Bursary Fund - A bequest given to assist deserving undergraduate students with their course fees whilst in full time training at Spurgeon's College for the Baptist Ministry.

Baptist Union Bursary Fund - This fund is from "Baptists Together" and is to help Baptist Union Ministers in Training with their fees and/or living costs.

Income Funds (General Bursary, Pringle Bursary, Vectis Fund, Copley Fund) - Income derived from the investments held in these Funds (see note 14) is applied to provide assistance with students' fees and charges, or in the case of the Cudlip Legacy, for general College purposes.

Lamplighters Fund - To receive donations from 'Lamplighters' and others who wish to provide direct assistance to students who are unable to pay full fees.

Conference Communion Fund - A pastoral fund, administered by the Principal, established by past and present students of the College for the benefit of colleagues experiencing personal financial difficulties.

Nott Fund - In 1976 Miss Dorothy Nott made a bequest to the College of the residue of her estate for the purpose of helping retired ministers and missionaries who were former students of the College. A property in Beckenham, 7 Glanfield Road, valued at £625,000, is held for the benefit of retired members of the College.

Restricted Gift Fund - This includes gifts towards specific projects.

Oversea Student - This fund was established to provide assistance to overseas students.

Learning Support - A fund established to assist students with additional support needs in their studies.

Pioneer Fund - Grant received from BU Newington Court for the writing of a pioneer pathway for ministerial training.

Principal's Fund - This includes gifts specifically for use at the Principal's discretion.

Student Rep - A fund established to be used by the student representatives.

EBA Hardship fund - This fund is for Baptist Union Ministers in Training on placement in the Eastern Baptist Association.

Theology of Law Course - This fund is to help with the fees of students studying on the theology of law unit.

The Rev Dr Curdell McLeod Bursary - This bursary is given to students of Caribbean heritage who are training for ministry.

OfS Hardship Funding - This fund was received from the Office for Students to help students who were struggling financially.

Fund Raiser - This fund was received for use in employing a fund raiser.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

14 ENDOWMENT FUNDS

	Fund Balance 1st August 2022	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2023
	£	£	£	£	£
General Bursary	130,420	-	(1,790)	(3,277)	125,353
Pringle Bursary	52,362	-	(718)	(1,316)	50,328
Vectis Fund	196,244	-	(2,693)	(4,931)	188,620
Copley Fund	42,177	-	(579)	(1,060)	40,538
Cudlip Legacy	27,559	-	-	(1,383)	26,176
	<u>448,762</u>	<u>-</u>	<u>(5,780)</u>	<u>(11,967)</u>	<u>431,015</u>

Movements in comparative period

	Fund Balance 1st August 2021	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2022
	£	£	£	£	£
General Bursary	134,332	-	(1,935)	(1,977)	130,420
Pringle Bursary	53,934	-	(777)	(795)	52,362
Vectis Fund	202,132	-	(2,913)	(2,975)	196,244
Copley Fund	43,442	-	(626)	(639)	42,177
Cudlip Legacy	28,062	-	-	(503)	27,559
	<u>461,902</u>	<u>-</u>	<u>(6,251)</u>	<u>(6,889)</u>	<u>448,762</u>

The income earned on the first four of these endowments is recorded in the related restricted funds (see note 13). The income on the Cudlip legacy is credited to the General Fund, which is a correction of the previous accounting, as stated in note 12 on transfers between funds.

General Bursary Fund - Income derived from the investments held in this Fund is applied to provide assistance with students' fees and charges.

for a pastoral studies student not otherwise receiving any financial assistance from public funds. Preference is to be given to a student normally resident in the area of the former Lancashire & Cheshire Baptist Association (now the North Western Baptist Association).

The Vectis Fund - This fund is an endowment established in 2003 and added to in 2011 to provide assistance to either:-

- (1) students from the Isle of Wight, Hampshire or Dorset who :-
 - have the insight and ability to develop a strong pastoral role, or
 - are preparing for overseas mission, or
 - are studying on the evangelists' course; or
- (2) exceptional students from overseas who intend to return to their own country.

The Copley Fund - This fund was set up in 2003 by a bequest under the will of Edith Copley in memory of her parents John and Sarah Ann Copley. The object of the bequest was to provide assistance to any persons, with preference given to those from Yorkshire, who wish to study at Spurgeon's College with a view to entering the Baptist ministry, whom the governing body considers would be unable to do so without such assistance.

The Cudlip Legacy - A bequest from the estate of Miss Edith Mary Cudlip who died in March 2008. Under the terms of her will Miss Cudlip left the College a one thirteenth share of the residual estate with the proviso that the amount realised should be invested and the interest received should be used as a donation.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General	Restricted	Endowment	Total 2023
	£	£	£	£
Tangible fixed assets	10,587,742	625,000	-	11,212,742
Investments	93,401	-	408,377	501,778
Cash at bank and in hand	342,251	155,689	22,638	520,578
Other net Current Assets	460,479	-	-	460,479
Long term creditor	<u>(5,378,945)</u>	<u>-</u>	<u>-</u>	<u>(5,378,945)</u>
	<u>6,104,928</u>	<u>780,689</u>	<u>431,015</u>	<u>7,316,632</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES

	2023	2022
	£	£
Salaries	1,062,253	1,025,122
National Insurance costs	96,717	93,235
Pension costs: Scottish Life - 12 (12) members	36,202	36,144
Baptist Pension Scheme - 22 (23) members	57,360	59,892
	1,252,532	1,214,393

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was 32 (2022:33). The Average head count was 51 (2022:52). No employee received remuneration of more than £60,000 in the current or prior year.

The salary and employer's national insurance contributions paid during the year in respect of the College Principal (who is also a Governor of the college), in respect of his teaching and administrative duties, as authorised by the Articles of Association, amounted to £51,242 (2022: £50,127).

The College also made pension contributions of £4,500 (2022: £4,500) for the College Principal, along with non-taxable benefits of £36,000 (2022: £30,000) and a proportional bonus (given to all staff) of £1,000 (2022: £0).

The median basic remuneration for the year was £25,777 (2022: £24,324); the Principal's basic remuneration was 1.7 (2022: 1.9) times this. The median total remuneration pay for the year was £31,507 (2022: £26,902); the Principal's total remuneration was 2.9 (2022: 3.0) times this.

The cost of employment of key management staff which includes Salary, proportional bonuses, Pension Contributions and employer NI contributions amounted to £152,909 (2022: £177,012). The key management staff include Vice Principal (Academic Director), Vice Principal (Director of Ministerial Formation) and the Chief Operating Officer.

During the year to 31st July 2023, the College made pension contributions in respect of 12 members of staff (2022: 12) into a defined contribution pension scheme where the assets are held separately from those of the Charity in independently administered funds.

The College also participates, on behalf of another 22 (2022: 23) members of staff, as an employer in the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers and members of the staff are eligible to join the Scheme.

Since January 2012, pension provision has been made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

Benefits in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31st December 2011.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

Actuarial Valuation and Deficit recovery

A formal valuation of the DB Plan as at 31 December 2019 was carried out by a professionally qualified Actuary using the Projected Unit Method. At the valuation date the market value of the DB Plan assets was £298 million, whilst the level of assets needed to pay benefits was £316m, giving a deficit of £18m (equivalent to a past service funding level of 94%). The Church and the other participating employers in the DB Plan are collectively responsible for funding this deficit.

The key financial assumptions underlying the valuation were as follows

Type of assumption	% p.a.
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income Increase Adjustment (above CPI)	0.50
Pre-retirement assumed investment returns (gilt yield plus 1.75% pa)	
Post retirement assumed investment returns (including benefits matched by the insurance policy) (gilt yield plus 0.5% pa)	1.70
Minimum Pensionable Income increases (CPI plus 0.5%)	3.20
Deferred pension increases (based on RPI)	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	
Based on CPI with an annual floor of 0% and annual cap of 5%	2.70

Mortality is assumed in accordance with 80% of the S3NA standard mortality table. Future improvements projected from 2013 in line with the "CMI 2019" projection with a long-term rate of improvement of 1.75% p.a. for males and 1.5% p.a. for females with the core smoothing parameter and with additional initial mortality improvement factor A=0.5%.

The next actuarial valuation of the DB Plan within the Scheme will commence in 2023 to reflect the position as at 31 December 2022.

Recovery Plan

In addition to the contributions to the DC Plan set out above, where a valuation of the DB Plan reveals a deficit the Trustee and the Council agree to a rate of deficiency contributions from churches and other employers involved in the DB Plan. Following the 2019 valuation a Recovery Plan was signed in September 2020 under which deficiency contributions are payable until June 2026. These contributions were broadly based on each employer's membership at 31 December 2014 and increase annually in line with increases to Minimum Pensionable Income as defined in the Rules.

At the end of June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. As a result, the Scheme no longer has a shortfall. A revised statement of contributions was announced in July 2022 with deficit contributions from each participating employer in the DB Plan reducing to just £1 per month from August 2022.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2023	2022
	£	£
Balance sheet liability at the start of the year	-	79,475
Minus deficiency contributions paid	(12)	(15,198)
Plus Interest cost	12	-
Actuarial (gains)/losses on re-measurement of liability	-	(64,277)
Balance sheet liability at the end of the period	-	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2023 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

The key financial assumptions underlying the valuation were as follows:

Accounting date	31/07/2023	31/07/2022	31/07/2021
Discount rate	6.2%	3.8%	1.6%
Future increases to Minimum Pensionable Income	0.0%	0.0%	3.2%

17 GOVERNORS' REMUNERATION AND LOANS

Governors are not paid for their services as governors (except as regards the College Principal – see note 16 on the previous page). Reimbursements of £2,366 (2022: £728) were paid to four governors for directly incurred travel and other expenses. During the year none of the governors received a loan from the charity.

18 RELATED PARTY TRANSACTIONS

The College Principal is also a Baptist Union trustee. The College has two loans with the Baptist Union Corporation (see note 11). During the year two loans totalling £2,328,136 were repaid. The total amount outstanding as at 31st July 2023 was £668,307 (2022: £3,002,099). The College also received Baptist Union grant money for the year totalling £53,601 (2022: £76,384).

A staff member is also the modertor of the Baptist Union Corporation Council

During the year the charity made purchases of £1,171 (2022: £0) from the charity Book Aid of which a staff member is a trustee.

During the year donations totalling £1,080 (2022: £960) from the trustees were received by the charity.

A Govenor is also a student on courses with fees of £270.

19 STATUS OF THE COMPANY

The company is limited by guarantee. The number of members of the Council at the year end was 36 (2022: 36). In the event of a winding-up of the company, the maximum liability of each Council member is £10.

20 COMMITMENTS UNDER OPERATING LEASES

At 31st July 2023 the college was committed to making the following payments for operating leases:

Within:	2023 £	2022 £
Less than One Year	30,539	18,141
In two to five years	27,637	4,085
Greater than five years	-	36
	<u>58,176</u>	<u>22,262</u>

21 POST BALANCE SHEET EVENTS

Subsequent to the year end the College sold its Spurgeon heritage collection to another educational institution for the purposes of research for £1.6 million.

SPURGEONS COLLEGE

England & Wales - Charity number 1096721

Accounts



**REPORT OF THE GOVERNORS
and
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st July 2022**

Company number: 04418151

Charity registration number: 1096721

**Registered office:
189 South Norwood Hill, London SE25 6DJ**

Website: www.spurgeons.ac.uk

SPURGEON'S COLLEGE

Registered charity no. 1096721

**Incorporating trust property held in connection with Spurgeon's
College registered charity no. 312888 and Falkland Park Trust
registered charity no. 1096721-1**

REPORT OF THE GOVERNORS

and

FINANCIAL STATEMENTS

FOR THE YEAR

ENDED 31st JULY

2022

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SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Spurgeon's College is a company limited by guarantee registered in England and is also a charity registered with the Charity Commission. The governors are both the directors of the company and trustees of the charity.

Company registration number 04418151

Charity registration number 1096721

Registered office
Spurgeon's College
189 South Norwood Hill
London SE25 6DJ

Governors
Rev'd Stuart Davison (*Vice-Chair*)
Prof Sir Leslie Ebdon (*Chair - from April 2022*)
Rev'd Jonathan Edwards
Mrs Joanne Gale
Mrs Charlotte Kirby-Thomson
Mrs Sarah King (*Chair - to April 2022*)
Rev'd Prof Philip McCormack (*Principal*)
Ms Charmaine Mhlanga (*Student governor*)
Mr David Locke (*Treasurer*)
Mr Neil Sherringham
Pastor Michael White

Senior staff
Rev'd Prof Philip McCormack (*Principal*)
Rev'd Helen Stokley (*Chief Operating Officer*)
Rev'd Dr Stephen Wright, (*Vice Principal - Academic Director*)
Rev'd Simon Jones (*Vice Principal - Director of Training & Ministerial Formation to 12th February 2022*)
Rev'd Seidel Abel Boanerges (Dean of Ministerial Formation - Designate) (*from 1st September 2021 and Dean from 12th February 2022*)

SPURGEON'S COLLEGE

**REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2022**

Principal advisers

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne NE1 4BF

Bankers

NatWest Bank
Addiscombe Branch
209 Lower Addiscombe Road
Croydon
Surrey
CR0 6RB

Auditors

Moore Kingston Smith LLP
9 Appold Street
London
EC2A 2AP

Investment Managers

Rathbones
159 New Bond Street
London
W1S 2UD

Independent Financial Advisers

AW Financial Management LLP
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

GOVERNORS' ANNUAL REPORT

The governors have pleasure in presenting their report and the financial statements of Spurgeon's College for the year ended 31st July 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

Spurgeon's College is governed by its Articles of Association as adopted by Council on 18th June 2020.

The members of the charity are the members of the Council. In the event of the College winding up, each member of the Council undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the College, all remaining assets shall be given or transferred to another charity having the same or similar objects to the College in accordance with charity law.

The College occupies land and buildings in South Norwood, London. These, including a residential property, are owned by the Falkland Park Trust (Charity No: 1096721-1, previously Charity No: 1017769). Under a Charity Commission Scheme dated 13th February 2003, the company (Spurgeon's College) became sole Corporate Trustee of the Falkland Park Trust.

On 29th April 2019 Spurgeon's College Development Limited was incorporated as a wholly owned subsidiary of Spurgeon's College. The company has been dormant since incorporation and will be used for future College development projects.

Validation and regulation

On 18 May 2022, the Office for Students (OfS) the Regulator for Higher Education in England, granted Spurgeon's College Full Taught Degree Awarding Powers (TDAPs). The effect of this order is that Spurgeon's College is authorised to grant all taught awards (including foundation degrees, bachelors' degrees and taught masters' degrees) for a time-limited period beginning on 1 September 2022 and expiring on 1 December 2025. The College has also been granted the power to authorise other institutions to grant academic awards, as specified in the order, on its behalf. These powers came into effect in UK law 1 September 2022.

TDAPs are eagerly sought by higher education providers in England, despite the significant cost of obtaining TDAP and the complexity of the process to achieve TDAP. This is because TDAP is seen to offer confirmation of reputation (the most precious commodity in higher education), greater autonomy, flexibility, leadership and economic benefits. As the first theological college to hold degree awarding powers in the UK, the reputation of the College is not only greatly enhanced, it confirms Spurgeon's as the leading such college in the

United Kingdom.

As a degree awarding power, Spurgeon's College has the legal authority to diversify its courses, for example a degree programme in counselling, new pathways in ministerial training, degree programmes in the liberal arts and social sciences (developments which were impossible as a validated HE provider). A modest 20% increase in student numbers will generate an additional £200K per year, most of which would flow directly through to the bottom line, as new students could be accommodated into the existing academic structure established by the College in preparation for DAPs.

There is considerable opportunity for Spurgeon's College, as the only Theological College to have TDAP, to validate other colleges. The theology section in UK higher education is under increasing pressure and traditional universities have either ended existing validation agreements with theological colleges or are considering the medium-term value of such relationships. As a degree awarding authority, Spurgeon's College has the opportunity to assist in securing the provision of theological education in the UK at university level. The impact upon churches within the Baptist Family nationally and the Free Church Movement, more generally, could be strategically important.

Spurgeon's College continues as an approved partner of the University of Manchester (on teach-out), Liverpool Hope University (on teach-out), and the Institute of Pastoral Counselling, and is an approved teaching centre for the Counselling and Psychotherapy Central Awarding Body. The College has validation links with the University of Chester for some postgraduate degrees, which are also on teach-out.

Spurgeon's College is regulated by the Office for Students (OfS), the Quality Assurance Agency (QAA), which reviews and assures Higher Education standards, and subscribes to the Higher Education Statistics Agency (HESA), which collects, processes and publishes data about higher education in the UK, and the Office of the Independent Adjudicator (OIA), the independent body set up to review student complaints.

The College is also a member college of the Baptist Union of Great Britain, and a member of the Evangelical Alliance and the Micah Network.

Organisational structure and decision making

The management of the College is vested in the Board of Governors. The governors are directors of the company limited by guarantee and trustees of the charity. The Board meets on at least four occasions each year and is responsible for delivery of the College's charitable objects, setting the strategic direction and upholding the values of the College.

The Council is the body to whom the governors are accountable. The Council also provides advice, acts in advocacy for the College and appoints the governors. The Council comprises:

- up to twelve members appointed by the current members of the College Conference (former students);
- for each of the London, Eastern and South Eastern Baptist Associations, up to four members, including one Regional Minister and up to three Lay Members who are interested in furthering the work of the College, appointed by the directors of the Associations;
- up to three representatives of the Particular Baptist Fund appointed by the Managers of the Fund;
- the governors;
- the Chief Operating Officer, the Vice-Principal and Dean of Ministerial Formation;
- up to six members of College staff including three tutorial staff and three other members of staff;
- one representative of the Baptist Union of Great Britain appointed by its trustees;
- one representative of BMS World Mission appointed by its trustees;
- up to three representatives of the student body;
- up to three people co-opted by the Governors in liaison with ecumenical bodies in South London; and
- up to four other people co-opted by the Governors.

The Board of Governors is assisted in its work by a number of advisory committees formed of governors, Council members, College supporters and members of staff. The Board sets

the terms of reference for each committee, which are reviewed regularly, and appoints committee members with relevant expertise and experience. The advisory committees meet as and when required, provide minutes of each meeting to the governors, and also report on their activities to the annual general meeting of the Council.

The advisory committees are as follows:

- Buildings Group – provides advice and assistance on all matters concerning the College properties.
- Marketing, PR and Income Generation Group – provides advice and assistance on all matters concerning income generation, including recruitment, and promotion of College activities.
- Equality, Diversity and Inclusion Monitoring Group - advises on matters relating to equality, diversity and inclusion issues and ensures compliance with the law and best practice.
- Finance Committee - provides advice and assistance on all matters concerning the

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College finances

- Audit & Risk Committee –provides advice and assistance on all matters concerning risk management and audit.
- Governance Group – provides advice and assistance on all matters concerning governance.
- Nominations Group - provides advice on the selection of new governors.
- Academic Board – oversees the courses, standards and outcomes of the courses offered throughout the College.

The Academic Board is the body entrusted by the governors with overseeing the educational work of the College. The members during the year ended 31st July 2022 were as follows:

- Rev'd Prof Philip McCormack, Principal* (Chair)
- Katie Walsh* (Senior Registrar), Rev'd Dr Stephen Wright* (Academic Director), Rev'd Seidel Abel Boanerges*, Rev'd Dotha Blackwood*, Mr Rob Bradshaw*, Dr Thomas Breimaier*, Rev'd Simon Jones*, Dr Debra Reid*, Dr Zoltan Schwab,* Dr Joshua Searle*, Rev'd Martin Stokley*, Revd Dr Pete Phillips*, Dr Jonas Kurlberg*
- Representing the associate and online tutors: Rev'd Robert May*
- Representing the College of Preachers: Rev'd Dominic Robinson
- Counselling course leader: Mrs Jill Parnham*
- Representing the Governors: Prof Sir Les Ebdon
- Representing the Council and also wider academic life: Christine Dunmow
- Representing wider academic life: Prof. James Carpenter;
Dr Andrew Jones; Prof. Geoffrey Cook; Prof. Jerry Forrester; Dr Trevor Stammers
and Prof. Andrew Thomason.
- Three representatives of undergraduate students (from different pathways) and up to three representatives of postgraduate students (from different pathways)

*Denotes members of staff who are remunerated for their service relating to the teaching and administrative activities of the College rather than in their role as members of the Academic Board.

The Board delegates the management of all operational, financial and academic matters to the Principal who in turn delegates relevant activities to the senior management of the College, the Heads of Departments: the Chief Operating Officer; the Academic Director; and the Director of Ministry Formation and Training.

The Heads of Departments are invited to attend each Board meeting and are required to provide a report detailing the activities of their departments to inform Governors of their oversight of each department.

Governor recruitment and appointment

The Board of Governors comprises not less than nine and not more than 13 members. The quorum for the transaction of the business is the greater of one third of the governors or three.

At every annual general meeting one-third, or the number nearest to (but not greater than) one third, of the governors (other than the Principal (*ex-officio*) and Student Governor (appointed by the governors)) retire from office, but are eligible for re-appointment by the Council members. Governors, other than the Principal and Student Governor, are normally appointed for a term of three years. They serve for no more than nine years, unless the governors exceptionally resolve to permit a further term for no more than one governor at a time. The Student Governor is appointed for a term of one year renewable for further periods of one year up to a maximum of four years.

The Board of Governors has the power to co-opt new governors but those co-opted have to stand for election at the following annual general meeting. Co-options are made on the recommendation of the Nominations Group whose members review the skills matrix of the Board and role descriptions, and identify suitable candidates for appointment to the Board. Candidates are recruited from direct approaches, recommendations and referrals, and by advertising, as appropriate. The Board endeavours to reflect the diversity of the student body in its own composition, ensuring there is diversity of gender, age, ethnicity and denominational allegiance. Potential new governors meet the Nominations Group to discuss the role requirements.

Following appointment, all new governors are issued with a Governance Handbook and other appropriate documentation. Guidance is given on the roles and responsibilities of being a charity trustee and governor, and on the College's governance structure. Meetings with key College personnel are arranged.

Remuneration

The governors are committed to ensuring a balance between paying staff to attract and retain the best people for the job and careful management of charitable funds.

In determining the remuneration paid to academic staff, the governors are cognisant of the remuneration given to those working in similar roles in other theological and Bible Colleges, and to ministers in the Baptist Union. Where possible, remuneration attached to jobs in support functions is benchmarked against similar jobs in the local jobs market. Cost of living increases may be awarded annually to all staff on the basis of a recommendation from the

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REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2022

Finance Committee in the context of the annual budget setting process, following consideration of the increase in Retail and Consumer Price Indices and the College's financial position.

Objectives and activities

Objects

The College's charitable objects are to advance the Christian religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices usually called evangelical, in particular through the provision of education, training, vocational preparation and support to Christians for mission and ministry.

Our Mission

To train men and women for Christian mission, ministry and leadership in the contemporary world

Our Vision

The College draws its vision from three sources:

- a. *A confessional foundation* – established by CH Spurgeon in 1856 as the Pastors' College, Spurgeon's College is a Christ-centred, evangelical college in the Baptist tradition, engaged in biblical and theological education.
- b. *A formative ethos* – this flows from our life as a community that meets daily for worship, where preparation for Christian service is enriched by the practice of gathering daily as a community to glorify God, who is Father, Son and Holy Spirit.
- c. *A geographical location* – the College is intentionally London based, with a national focus and a global reach.

The College Vision for the next ten years is:

- To cultivate a creative learning environment allowing every student to develop spiritually, academically, emotionally and socially.
- To deliver a relevant, structured curriculum tailored to training men and women for mission, ministry and leadership for all who wish to deepen their understanding of the Scriptures and theology.
- To develop the College's position, in the global and diverse city of London, as a research-led, experience-based, centre of excellence delivering positive outcomes for students.
- To maintain the highest professional and ethical standards in every area of College life.

Our Values

As a Christian Higher Education Theological College our values are directly drawn from and aligned with biblical principles. In particular:

- We believe in the inherent moral equality, dignity and worth of every individual.
- We value the unique distinctiveness of each member of the College community.
- We celebrate the richness of being a diverse and inclusive community.
- We believe that as a community meeting daily for worship we must be careful to listen to God and discern his will and purpose.
- We will promote the general wellbeing of all members of the student community and College staff.
- We are committed to assisting every student in reaching their potential.

The College's Values are consistent with and build upon 'The 7 principles of public life'¹ often referred to as the 'Nolan Principles.'

Students

The College's main activity the provision of excellent education in a supportive environment, in particular training those called to Christian mission, ministry and leadership in the contemporary world is the provision of theological education and ministerial and practical training for Christian mission and ministry. Spurgeon's is a welcoming and inclusive community – we believe that all are created in God's image and loved by him so we value each student and their unique contribution to the corporate life of the College.

Spurgeon's College continues to prepare candidates for ordination to Baptist ministry within the Baptist Union of Great Britain, and train pastors and leaders from other denominations. The College also includes students who are pursuing a theological education for its own merits in its diverse learning community, and this further enriches the life and experience of all community members. Since its foundation, over 5,000 churches worldwide have been served by Spurgeon's ministers and its trained ministers are active in over 35 countries. The College has also developed post-graduate provision for continuing ministerial development training and has a thriving post-graduate research community. It offers other accessible training packages for church members seeking to serve in lay capacities or pastoral supervision roles. The College's counselling provision continues to grow and flourish and is considered a gold standard in the provision of counselling education in the South of England. One of the new programmes the College is working on is a new undergraduate degree in counselling, which will be qualifying.

Public benefit

The governors carefully consider the Charity Commission's guidance on public benefit in determining what work is done, and the guidance informs the College's aims, plans and activities. The governors take seriously their responsibility to offer high quality academic provision that also represents value for money to students and to taxpayers.

¹ See <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life-2>

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Those who benefit from the College's work directly are the students. Those who study and/or train for ministry, both ordained and lay, and also, indirectly, those who worship in and benefit from the ministry of churches in the UK and around the world which are served by students and former students. Those who study to become professional counsellors and enrich their community through the skills they learn at Spurgeon's College.

The students benefit through:

- Enhanced knowledge and skills
- Academic and professional study and qualifications
- Broadened perspectives on faith and the world
- Deeper and stronger personal spirituality gained from living, studying and worshipping in a Christian community.

The benefit to the general public comes through:

- Leadership by properly trained and equipped ordained ministers, lay leaders and counsellors of churches which are open for public worship.
- Leadership of and involvement in Christian charitable and social action work by current and former students of the College who have been motivated, inspired and equipped by their courses at College.

The governors ensure the courses at Spurgeon's College are designed for those who seek to further their knowledge of Christian theology or train for Christian ministry and train to become counsellors. Whilst the College is part of the Baptist Union of Great Britain, a wide variety of church traditions are represented within the student body and the content of the courses offered reflects this diversity.

The College's *Access and Participation Plan* demonstrates the College's commitment to fair access and opportunity. The College helps those seeking to come to the College to identify the course that is appropriate to their current and future needs, depending on their interests and individual calling. The College has a wide range of courses and study options available with a similarly wide range of fees.

Fees are set at rates which are appropriate bearing in mind similar courses offered by other Baptist and Bible colleges and centres delivering counselling courses. All courses are subsidised as the income from fees is less than the cost of providing courses. Donations and legacies from supporters, income derived from use of properties and assets, and investment income, all contribute to the subsidy.

Students who are training for the Baptist ministry have access to the Baptist Union Bursary Fund. They and other students have access to bursary funds administered by the College and to grants from charitable trusts. The College is active in ensuring that students with financial needs have information about raising money to fund their training and are able to apply for bursaries.

Civic contribution

As a higher education institution with the same powers as any UK university to create, validate and offer academic degrees, the College has consciously worked to develop the civic role it

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quietly plays in the local life of Croydon. During the Covid-19 pandemic, the College became aware of a community lunch club, serving senior citizens with specific needs, that had been made homeless. For the last eighteen months the College has hosted the lunch club three days per week, free of charge, with lunch club staff using the College's industrial class kitchen facilities to prepare and cook hot meals for their clients. The three distinct groups that form the lunch club look forward to their weekly visit to the College and students on a ministerial track have enjoyed their interaction with a wonderful group of people from the local community.

The College's proactive engagement with local community groups resulted in it becoming aware of Amity Youth Development, a community organisation working with young people aged 17 – 30 who live in the London and Greater London Region. Amity supports young people by helping them to enter into employment, education or training. The College learned that Amity had become homeless. After discussion with the youth development group, the College provided an office and classroom within its main educational facility for Amity to use. To date, scores of young people have been trained by Amity at Spurgeon's and have gone into employment or further education.

Before the Covid-19 pandemic, Croydon Council's Educational Officers visited the College and asked if it was willing to assist in providing a bridge for A Level students in terms of helping them prepare for higher education. As a major higher education institution in the South of London, the College recognised its civic responsibility and agreed to assist. In 2022, the College ran a pilot Transition to Higher Education course for A Level students from the local Harris Academy. The course was designed in partnership with Harris Academy and delivered by the College's faculty at its main campus. Three cohorts of A Level students voluntarily took the three week course at the College and received a certificate of attendance. Harris Academy has asked the College to deliver this course again in 2023.

One of the main civic contributions the College quietly makes to the community in Croydon and more widely across the UK, is the work its ministers in training do within their local communities through their ministerial placements in local churches. In the financial year to 31st July 2022, over 70 ministerial students from Spurgeon's worked as ministers in training in local churches, often as the sole minister. The impact of this ministry upon local communities is often immense. Many churches run foodbanks and provide vital community support to the most marginalised within those communities. The academic and theological studies undertaken by the College's ministers in training is put into practice in scores of villages, towns and cities across the country. College staff actively deliver placement support for ministers in training and ensure that both the student and the local church is supported.

The College expects to work closely with the Borough of Croydon in 2023 as a higher education institution with the same academic power and authority as any UK university. The College will work with the Council in identifying how it can assist in developing academic courses that will contribute to the creation of the skills and knowledge new businesses require in the contemporary workplace. This potential diversification of educational offer will not only assist in possible regeneration of the local community but also contribute to the improving financial position of the College moving forward.

Additional public interest governance principles

The governors monitor good practice within both the charity and Higher Education sectors. This means that Spurgeon's College is seeking to align its governance processes, in regard to Higher Education, with the current guidance from the Committee of University Chairs contained in The Higher Education Code of Governance.² The governors are satisfied that adequate and effective measures are in place to ensure that when the College is in receipt of public funds they are appropriately used, in line with the conditions of the grant and the principles of regularity, propriety and value for money to protect the interest of taxpayers and consistent with its Charitable objects.

Volunteers and Donors

The College's work is supported by a number of volunteers whose contribution is invaluable and underpins the success of the College. In addition to those involved with the College's governance, volunteers assist with the Library, with the Learning Support Department, with church placements, and in various administration support roles.

In its 166-year history, the College has benefited from the generosity of its supporters and donors. The College has remained faithful to the desire of its founder Charles Spurgeon that it should live by faith. The many small and large donations both encourage and practically help the College to remain faithful to its mission and vision and the governors wish to acknowledge the kindness of its stakeholders, friends and supporters.

Strategic report

Agreed strategy

The progress in relation to the College's objectives as defined in 2018 is reported as follows:

- a. To register with the Office for Students as soon as possible after 31st August 2018 in the Approved (Fee Cap) category.

The College was registered with the Office for Students in November 2019 and therefore this objective has been achieved.

- b. To apply for and achieve Taught Degree Awarding Powers from the Office for Students by August 2019.

The College applied for Taught Degree Awarding Powers (TDAPs) in September 2020. It was awarded Full TDAPs 18 May 2022 and therefore this objective has been achieved.

- c. To secure 'indefinite' Taught Degree Awarding Powers.
- d. To apply for Research Degree Awarding Powers (RDAPs) upon securing 'indefinite' Taught Degree Awarding Powers.

The College will work towards applying for RDAPs in 2023 with the intension of making an application in September 2024.

- e. To explore attaining university title once indefinite Taught Degree Awarding Powers have been secured.

Objectives, c, d and e will be pursued once Taught Degree Awarding Powers are achieved.

- f. To provide excellent and continually improving levels of education, formation and learning resources for all students across the board.

The College continues to provide excellent and continually improving levels of education, formation and learning resources as demonstrated by 100% of students agreeing in the National Students Survey that they are satisfied with the College. Student feedback at a unit, course and institution level also records high rates of satisfaction. Continued registration with the Office for Students and the College's continuing commitment to excellence demonstrates the College's commitment to continually improve.

- g. To encourage and facilitate access and participation in Higher Education.

The governors have commissioned and implemented an Access and Participation Plan (2020/21 to 2024/5) which is available on the College website and is monitored by the Access and Participation Monitoring Group, chaired by a governor.

- h. To develop a school and community outreach programme, utilising our connections with our existing and new partnerships, to encourage young people from all backgrounds to consider Higher Education.

The Principal and COO continue to discuss with Croydon Council ways in which the College could help raise attainment of the young people within the borough. The Community Worker continues to actively reach out to and work with community groups in South Croydon and engaging with local secondary schools.

- i. To foster relationships with the growing church, especially in relation to the growing Black, Asian and Minority Ethnic (BAME) movements in London and the UK.

The dialogue with BAME movements in London and the UK continued during the pandemic. The Principal and Vice Principal Ministerial continued the College's engagement with a national church with a view to assisting it in the development of ministerial training.

- j. To explore with leaders from the BAME communities the creation of a range of bursaries and scholarships to encourage students from Under Represented Groups to study at Spurgeon's College.

The College committed itself to give student bursaries and scholarships to those from BAME and IMD communities with household incomes under £25,000 in 2021/22. This commitment was honoured in the reporting period of this report.

- k. To develop the College's capacity to resource the churches locally in London and nationally across the United Kingdom.

The College's investment in its digital capabilities ensured that during this reporting period it continued to resource churches in London and across the UK. This is evidenced in its creation of a new online course called Equipped for Digital Ministry.

- l. To maintain and develop the College's reputation as a centre of excellence for counselling courses.

The report from CPCAB, in this reporting period, praised the counselling centre for continuing to be a centre of excellence.

- m. To develop partnerships with international universities and theological colleges, for example, through our International Distinguished Visiting Scholar programme.

The College continues to be in partnership with Anderson University in South Carolina and is engaged in continuing talks with a number of international partners, with whom the College is forming partnerships and programmes.

- n. To foster and develop partnerships with international Baptist Associations and Unions.

The Principal is a member of the Baptist World Alliance of Churches giving the opportunity to develop relationships and discuss strategic partnerships.

- o. To deliver capital build projects that contribute to income generation and the research and Higher Educational objectives of Spurgeon's College. For example:

- Build apartment block(s) as a source of income generation and additional accommodation space for international students.
- Build a CH Spurgeon heritage and conference centre that is financially self-sustaining and income generating.
- Build a spiritual retreat centre in the wood.

- p. Manage our building portfolio to support the delivery of the capital build projects.

The planning permission application submitted for the Raleigh Park Baptist Church site in Brixton was granted in the previous reporting period. The sale of this site completed in the current reporting period, releasing substantial funds for the College. The College expects to be in receipt of a new church / community building in the summer of 2023 as part of the development deal completed in the current reporting period.

- q. To develop and maintain a financial strategy that will deliver the College's objectives.

The governors, finance committee and senior management teams continue to monitor and implement the financial strategy adopted by the governors to diversify the income streams of the College through building development and revenue from property management.

² See <https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf>

Financial review

General (unrestricted) fund

Total income for the year was £1,086,793 (2021: £1,873,622) and the expenditure was £2,213,459 (2021: £2,290,923). The College recorded a deficit on the General Fund in 2021/2022 of £1,126,666. (2021: £403,848)

The major income stream is the fees charged to students. The College continues to be thankful for the donations and legacies which also contribute to the College's income. The College continued to receive public funds from the Office for Students in the form of a teaching and learning grant. This has been recorded in other income with an explanatory note 3a. It should be noted that the College's accommodation income has continued to be reduced because lettings were not possible due to Covid-19 restrictions. In the 2021/2022 period, 99% expenditure was on charitable activities and 1% on generating funds (2020/2021, 99% and 1% respectively). The College's operating costs remained consistent with the previous year, with staff working to ensure the College was best placed to meet the increased regulatory and reporting burden associated with the Office for Students and the application process for degree awarding powers.

Restricted and endowment funds

A range of restricted funds appear in the accounts, being money donated for specific purposes such as student support through bursaries and enhanced teaching facilities. The governors are grateful for income received that has supported a range of specific projects.

Total income for the year was £104,945 (2021: £118,564) and total expenditure was £78,966 (2021: £126,119). At the yearend total restricted funds were £583,188. Total endowment funds at the yearend were £448,762 (2021:£261,902).

Investment policy

The College's investment portfolios are managed on a discretionary basis by investment managers. The investment objectives of the respective portfolios are set out in an investment policy statement, which also prescribes the ethical policies to be followed by the investment managers. Investments are managed to achieve a balanced return between income and capital growth, generating income for use for current purposes whilst maintaining the value of investments for the benefit of future students. The Finance Committee conducts a review meeting once a year with the investment managers and the independent financial adviser and reviews the performance of investments regularly.

Reserves policy and future prospects

In accordance with Charity Commission guidance, the governors monitor the level of funds held in unrestricted reserves, recognising the pressures caused by the imbalance between income and expenditure at certain times of the year. Whilst income fluctuates over the course of a College year, salaries and other regular monthly costs continue throughout the year. Given the annual shortfalls between College income and expenditure in recent years, it is also necessary to maintain reserves which can help fund shortfalls as and when they occur whilst the governors continue work to return General Fund income and expenditure after the receipt of donations to equilibrium.

The governors have determined that the optimum level of free reserves that the College should hold to ensure its survival should be sufficient to cover six month's budgeted operational expenditure, which equals £1,103,000. This compares with the reported unrestricted free reserves of £118,230 as at 31st July 2022 – see Note 15 "Analysis of Net Assets by Fund" for Total Unrestricted Funds less Fixed Assets and related loan funding (Long Term Creditor). In order to secure the financial future of the College, the governors have been working on a project to release value from the College site to provide an ongoing income stream, an increase in reserves, and new buildings for academic use. In this period continued progress has been made on a major development project which will achieve these aims. A considerable amount of work has been done on a project that will provide a substantial number of housing units for sale and rent whilst protecting the majority of the site for continued use by the College for its purposes. The College has strategically invested in this project in order to maximise the return and had been expecting the planning application to be approved in 2023. Due to a combination of the ongoing impact of Covid-19 restrictions and well-publicised financial pressures impacting upon Croydon Council, the College's planning application is now anticipated to be approved in 2023.

Fundraising activity

The College does not currently employ anyone dedicated to fundraising, nor does it use external fundraisers or commercial participators. The fundraising focus is on developing relationships with College supporters, which is done through the College social media channels, electronic communications and events. It has been more difficult to meet with supporters in the period due to the pandemic. The College has not received any complaints about its fundraising activities and practices.

COVID-19

The scale and spread of Covid-19 (coronavirus) virus worldwide and the actions taken by the government caused disruption to the College's activities and income. During 2021-2022 the outbreak had a significant impact on the way the College delivered its education.

Throughout the pandemic, the governors continued to monitor the situation very closely, with Covid-19 and the College's approach to mitigating risk a standing item on each Board meeting agenda.

Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least 12 months from the date of approval of the financial statements. Further detail of this assessment is found in note 1, page 29.

The governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

Principal risks, uncertainties and opportunities

The College has continued to implement a number of actions that resulted in a comprehensive governance review undertaken in November 2019. The Audit and Risk committee has been functioning effectively and is now embedded within the College's normal rhythm of operations. The introduction of three new middle managers within the Operations Department, as a consequence of the governance review, has been yielding the anticipated results, which have been and are being felt across the institution.

Maintaining the wide variety of activities of the College is not without its challenges and the governors have sought to manage the risks of such a faith undertaking by identifying the areas of major potential risks as: the College's ongoing challenging financial position, where operating income is less than operating expenditure and the College is dependent on receiving charitable donations and legacies and generating income from other sources; failure to comply with legal requirements and OfS regulation; and the loss of key employees and inability to replace key staff effectively.

The College is vulnerable to a decline in student numbers at a time when church attendance is decreasing and congregations find it more difficult to afford to pay a minister and the economic situation makes it harder for students to afford even the subsidised fees charged. Many independent theological and bible colleges are struggling to attract sufficient numbers of students and are facing financial problems. The College's location in London with a growing and diverse church scene, its evangelical tradition and reputation for excellence, and the variety of courses and modes of study offered all continue help mitigate the risk of a decline in recruitment.

As set out in the financial review section above, a considerable amount of work has been done to realise value from the College's site to ease the challenging financial position. The proposed major development will provide annual rental income, a one-off increase in reserves, and enable the College to build new academic buildings from which the College will be able to operate into the future, providing capacity to increase student numbers and cutting-edge facilities. In this reporting period the College continued to make progress in refining its plan to develop the site to help secure the financial future of the College.

The project to develop the site of Raleigh Park Baptist Church, which closed 31 December 2018, successfully achieved full planning permission. The site was offered for sale in 2021 and received a number of competitive offers from developers. The sale of the site will deliver a significant financial return for the College.

The Governors are aware that the College compares well on cost per student in all areas other than regulation and compliance: due to the size of the student body, the cost of fees paid to regulatory bodies, staff costs in academic administration, regulation and compliance areas, and IT costs associated with these areas, is considerably higher per student than for other larger HE providers. This is a source of concern and every effort is made to operate efficiently and cost effectively.

As part of its strategic educational plan the College continues to look at the diversification of income stream and has a long-term plan to explore increasing its educational offering, for example offering dual honours degrees in subjects like sociology, counselling and philosophy. The College successfully concluded a partnership agreement with Liverpool Hope University (LHU), which enables LHU to deliver its own programmes from the London site in the evenings and weekends. These additional courses, in Business Management and Marketing BA (Hons), International Relations and Social Policy BA (Hons), and Media & Communication and Creative Writing BA (Hons), are expected to increase the College's tuition fee income in the

coming years.

The continued highly respected reputation of the College is crucial to its existence. The College participates actively in the Baptist Union of Great Britain and Evangelical Alliance, and maintains links locally, nationally and internationally. The Council, College Conference (alumni network) and the College's supporter base play a key role as ambassadors for the College.

Governors' responsibilities for the financial statements

The governors (who are also directors of Spurgeon's College for the purposes of company law) are responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in business.

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

Disclosure of information to auditors

To the knowledge and belief of the governors, there is no relevant information that the College's auditors are not aware of, and the governors have taken all the necessary care to ensure and establish that the auditors are aware of any relevant information.

Auditors

Moore Kingston Smith LLP will be proposed for reappointment in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 17th January 2023.

the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 17th January 2023.

Signed on behalf of the governors



LES EBDON

Chair

17th January 2023

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

Opinion

We have audited the financial statements of Spurgeon's College ('the company') for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve 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.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information 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 there is 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 the audit:

- the information given in the report of the governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the governors.

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

- adequate 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 trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the governors and from preparing a strategic report.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2022

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may
- involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2022

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2022

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date: 23 January 2023

9 Appold Street
London
EC2A 2AP

SPURGEON'S COLLEGE

**STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31st JULY 2022**

		Unrestricted Funds	Restricted Funds	Endowment Funds	2022 Total	2021 Total
	Note	£	£	£	£	£
Income from:						
Donations and legacies	2a	143,603	40,752	-	184,355	774,062
Charitable activities	2b	884,822	1,632	-	886,454	973,933
Investments	3	4,922	11,661	-	16,583	16,562
Other	3a	53,446	51,217	-	104,663	109,065
Total income		1,086,793	105,262	-	1,192,055	1,873,622
Expenditure						
<i>Raising Funds</i>						
Costs of raising voluntary income	4	18,432	-	6,251	24,683	23,653
<i>Charitable activities</i>						
Student-related expenditure	5	2,195,027	79,283	-	2,274,310	2,267,270
Total expenditure		2,213,459	79,283	6,251	2,298,993	2,290,923
Net expenditure before gains/(losses) on investments		(1,126,666)	25,979	(6,251)	(1,106,938)	(417,301)
Transfers between funds	12	(25)	25	-	-	-
Gains on the sale of fixed assets		372,531	-	-	372,531	-
Gains on Investments	9	(1,589)	-	(6,889)	(8,478)	76,032
Gains on revaluation of fixed assets	8	233,000	239,000	-	472,000	7,500,000
Actuarial gains on DB Pension Scheme		-	-	-	-	-
Net movement in funds		(522,749)	265,004	(13,140)	(270,885)	7,158,731
Fund balances b/fwd (as previously stated)		8,117,004	557,184	461,902	9,136,090	1,927,770
Prior year adjustments	21	-	-	-	-	49,589
Fund balances b/fwd (as restated)		8,117,004	557,184	461,902	9,136,090	1,977,359
Fund balances c/fwd at 31st July 2022		7,594,255	822,188	448,762	8,865,205	9,136,090

All amounts relate to continuing activities and there are no recognised gains or losses other than those included above

The notes on pages 29 to 40 form part of these financial statements

SPURGEON'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES - DETAILED COMPARATIVE FIGURES FOR THE YEAR ENDED 31st JULY 2022 (continued)

		Unrestricted Funds	Restricted Funds	Endowment Funds	2021 Total
	Note	£	£	£	£
Income from:					
Donations and legacies	2a	672,601	101,461	-	774,062
Charitable activities	2b	972,301	1,632	-	973,933
Investments	3	4,900	11,662	-	16,562
Other		105,256	3,809	-	109,065
Total income		1,755,058	118,564	-	1,873,622
Expenditure					
<i>Raising Funds</i>					
Costs of raising voluntary income	4	11,921	5,834	5,898	23,653
<i>Charitable activities</i>					
Student-related expenditure	5	2,146,985	120,285	-	2,267,270
Total expenditure		2,158,906	126,119	5,898	2,290,923
Net expenditure before gains on investments		(403,848)	(7,555)	(5,898)	(417,301)
Transfers between funds		19,016	(773)	(18,243)	-
Gains on the sale of fixed assets		-	-	-	-
Gains on Investments		14,395	-	61,637	76,032
Gains on revaluation of fixed assets		7,500,000	-	-	7,500,000
Actuarial gains on DB Pension Scheme		-	-	-	-
Net movement in funds		7,129,563	(8,328)	37,496	7,158,731
Fund balances b/fwd (as previously stated)		970,140	533,224	424,406	1,927,770
Prior year adjustments	21	17,301	32,288	-	49,589
Fund balances b/fwd (as restated)		987,441	565,512	424,406	1,977,359
Fund balances c/fwd at 31st July 2021		8,117,004	557,184	461,902	9,136,090

BALANCE SHEET
AS AT 31st JULY 2022

		2022	2022	2021	2021
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8	10,473,354		10,408,619	
Investments	9	534,045		557,772	
			<u>11,007,399</u>		<u>10,966,391</u>
Current Assets					
Property to be sold	8	540,000		827,639	
Debtors & Prepayments	10	311,609		360,832	
Cash	15	<u>329,490</u>		<u>208,954</u>	
		1,181,099		1,397,425	
Creditors : Amounts falling due within one year					
Creditors & Accruals		617,505		826,677	
Fees received in advance		<u>48,205</u>		<u>65,524</u>	
	11a	665,710		892,201	
Net Current Assets			515,389		505,224
Total assets less current liabilities			<u>11,522,788</u>		<u>11,471,615</u>
Creditors: amounts falling due after more than one year					
Provisions for Defined Benefits Pension Schemes	11b 16		2,657,583		2,256,050
			-		79,475
Net Assets			<u>8,865,205</u>		<u>9,136,090</u>
Represented by Funds					
General Funds	15		7,594,255		8,117,004
Total Unrestricted Funds			<u>7,594,255</u>		<u>8,117,004</u>
Restricted Funds	13		822,188		557,184
Endowment Funds	14		448,762		461,902
	15		<u>8,865,205</u>		<u>9,136,090</u>

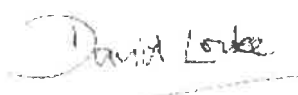
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 29 to 40 form part of these financial statements

Approved by the Governors on 17 January 2023 and signed on their behalf by:



Professor Sir Les Ebdon
CHAIR



David Locke
HONORARY TREASURER

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st JULY 2022**

	2022 £	2022 £	2021 £	2021 £
Cashflows from operating activities				
Net expenditure	(270,885)		(341,266)	
Adjustments for:				
Depreciation	30,453		25,552	
Loss/(Gain) on investments and investment property	8,478		(76,035)	
Decrease/(increase) in debtors	49,223		(93,014)	
Increase/(Decrease) in creditors (including loans)	(226,491)		587,243	
Increase/(Decrease) in current loans	201,544		(525,141)	
Increase/(decrease) in pension provisions	(79,475)		(6,487)	
Investment Income	(40,030)		(47,958)	
Interest payable	163,372		112,025	
Loss/(Gain) disposed fixed assets	(372,531)		-	
Loss/(Gain) revaluation fixed assets	(472,000)		-	
	<u>(737,457)</u>		<u>443,747</u>	
Cash flows used in operations		(1,008,342)		(365,080)
Cash flows from investing activities				
Proceeds from sales of tangible assets	1,550,000		-	
Non-current asset investment disposal	110,892		85,316	
Investment Income	40,031		47,958	
Purchase of property plant and equipment	(513,020)		(980,211)	
Purchase of investments	(95,643)		(90,644)	
		1,092,260		(937,581)
Cashflows from financing				
Interest paid on loans		(163,371)		(112,025)
Proceeds from new loans	1,834,467		525,000	
Repayment of loans	(1,634,478)		(42,910)	
		<u>199,989</u>		<u>482,090</u>
Net (decrease)/increase in cash		<u>120,536</u>		<u>(932,597)</u>
cash at the beginning of the year		<u>208,954</u>		<u>1,141,551</u>
cash at the end of the year		<u>329,490</u>		<u>208,954</u>

Analysis of cash and cash equivalents and changes in net debt

	At 1st August 2021 £	Cashflows £	At 31st July 2022 £
Cash at Bank	208,954	120,536	329,490
Loans	(2,802,110)	(199,989)	(3,002,099)
	<u>(2,593,156)</u>	<u>320,525</u>	<u>(2,672,609)</u>
	At 1st August 2020 £	Cashflows £	At 31st July 2021 £
Cash at Bank	1,141,551	(932,597)	208,954
Loans	(2,320,020)	(482,090)	(2,802,110)
	<u>(1,178,469)</u>	<u>(1,414,687)</u>	<u>(2,593,156)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022**

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and accordance with The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis, except as stated in sub paragraph 1.5. The charity meets the definition of a public benefit entity under FRS 102.

Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The governors have made this assessment for a period of at least 12 months from the date of approval of the financial statements.

The governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable futures. They continue to adopt the going concern basis of accounting in preparing the financial statements.

As described in note 21 (Post balance sheet events), subsequent to the year end the College sold a property to improve the short term cash flow position and received additional loan funding from TAB to provide refinancing facilities

1.2 Student fees, grants receivable, income from student accommodation and donations

Fees are recognised in the year to which they relate. Where debts exceed 3 years a 100% provision is made.

1.3 Legacies

Legacies are normally accounted for when received, and adjusted for legacies notified during the year but received after the year end.

1.4 Fixed assets and depreciation

The company owns the land and buildings of the college site at Spurgeon's College, South Norwood Hill, London SE25 6DJ.

In the past, the charity has taken the advantage of the option to use the value of land and buildings at the date of transition to FRS 102 (1st September 2014) as deemed cost and no depreciation was charged in respect of freehold land and buildings.

During the 2020/21 year, the trustees chose to change the accounting policy to hold land and buildings at fair value.

Properties are maintained in a good state of repair prolonging their useful life and enhancing their residual value. The directors consider the useful economic life of the property to be in excess of 50 years, and that it did not diminish during the period under review. Consequently, no charge for depreciation is made.

The Trustees carry out an annual review to consider the useful life and estimated residual value of the properties; this includes reviewing for any impairment.

Tangible fixed assets costing £1,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets calculated to write off the cost on a straight line basis over their expected useful economic life as follows:-

Computer equipment	3 years
Furniture and office equipment	5 years
Heating Plant	10 years
Building improvements	20 years

1.5 Investments

Investments are stated in the financial statements at market value.
The historical cost is set out in Note 9.

1.6 Funds

Certain items of income and expenditure which relate to such funds created for specific purposes are taken directly to the appropriate restricted and endowment funds.

1.7 Taxation

The College is a registered charity under the Charities Act 2011 & has been recognised by Her Majesty's Revenue and Customs. Therefore no liability to corporation taxation arises on its charitable activities.

1.8 Expenditure

Expenditure is accounted for on an accruals basis. All charitable expenditure in furtherance of the charity's objectives relate to the provision of educational services. Costs of raising funds includes cost directly attributable for the provision of the charitable objectives.

1.9 Operating Lease Policy

Rentals payable under operating leases are charged on a straight line basis to the statement of financial activities over the term of the lease.

1.10 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the governors to have the most significant effect on amounts recognised in the financial statements.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

See note 8 for the carrying amount of the property, plant and equipment and note 1.4 above for the useful economic lives for each class of asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2022 Total £	2021 Total £
2a DONATIONS AND LEGACIES					
Donations and grants received	111,194	40,752	-	151,946	199,541
Legacies received	32,409	-	-	32,409	574,521
	143,603	40,752	-	184,355	774,062
2b INCOME FROM CHARITABLE ACTIVITIES					
Student fees and maintenance	840,164	-	-	840,164	993,043
Discounts and unrecovered charges	22,842	-	-	22,842	(50,505)
	863,006	-	-	863,006	942,538
Accommodation charges	-	-	-	-	-
Rent from properties	21,816	1,632	-	23,448	31,395
	21,816	1,632	-	23,448	31,395
	884,822	1,632	-	886,454	973,933
3 INVESTMENT INCOME					
Dividends and interest on investments	2,510	11,661	-	14,171	14,172
Bank interest	2,412	-	-	2,412	2,390
	4,922	11,661	-	16,583	16,562
3a OTHER					
Sundry income	41,566	-	-	41,566	72,783
Grants and support income	11,880	51,217	-	63,097	36,282
	53,446	51,217	-	104,663	109,065
4 COSTS OF RAISING FUNDS					
Publicity and Fundraising expenses	17,087	-	-	17,087	16,461
Investment Management Charges					
General Fund	1,345	-	-	1,345	1,294
General Bursary Fund	-	-	1,935	1,935	1,826
Pringle Fund	-	-	777	777	733
Vectis Fund	-	-	2,913	2,913	2,748
Copley Fund	-	-	626	626	591
	18,432	-	6,251	24,683	23,653

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)

5 STUDENT RELATED EXPENDITURE

SUMMARY OF EXPENDITURE	2022		2021	
	Unrestricted Funds £	Restricted Funds £	Total £	Total £
Tuition Costs	1,170,021	75,415	1,245,436	1,346,043
Domestic Costs	137,316	-	137,316	101,073
Establishment Costs	208,177	-	208,177	250,133
Administration Expenses	641,644	3,868	645,512	552,784
Governance Cost (Note 7)	37,869	-	37,869	17,237
	2,195,027	79,283	2,274,310	2,267,270
TUITION COSTS				
Tutors' salaries, NI & pension contributions	696,074	-	696,074	751,557
Visiting tutors and examining costs	25,859	163	26,022	30,244
Travel allowances and expenses	10,859	506	11,365	3,296
Computer and network support	191,359	372	191,731	149,589
Property expenses	10,315	245	10,560	9,362
Student registration and validation fees	134,688	-	134,688	183,254
Miscellaneous tuition expenses	38,340	-	38,340	56,529
Library purchases	42,887	153	43,040	30,935
Depreciation of computer equipment	9,240	-	9,240	5,110
Student support and other disbursements	10,400	73,976	84,376	97,256
Sundry expenses	-	-	-	28,912
	1,170,021	75,415	1,245,436	1,346,043
DOMESTIC COSTS				
Contract Catering	56,442	-	56,442	26,828
Domestic expenses	79,379	-	79,379	73,803
Depreciation of equipment	1,495	-	1,495	442
	137,316	-	137,316	101,073
ESTABLISHMENT COSTS				
Light and heat	51,241	-	51,241	44,061
Rates and insurance	28,777	-	28,777	27,297
Repairs and maintenance	31,589	-	31,589	26,164
Repairs - Nurseries House	2,718	-	2,718	1,656
Salaries, NI and pension contributions	74,134	-	74,134	130,954
Depreciation	19,718	-	19,718	20,000
	208,177	-	208,177	250,133
ADMINISTRATION EXPENSES				
Salaries, NI & pension contributions	345,735	-	345,735	324,607
Printing postage and stationery	25,202	-	25,202	25,619
Telephones	17,003	-	17,003	5,596
Travel, Training and entertaining	747	-	747	6
Finance expenses	218,653	-	218,653	117,676
Professional fees	27,713	-	27,713	70,571
Sundry expenses	6,256	3,868	10,124	7,444
Equipment	335	-	335	1,265
	641,644	3,868	645,512	552,784

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

6 ACCESS AND PARTICIPATION

	2022	
	Actuals £	Per Plan £
Access Investment	11,750	11,750
Financial Support	21,991	59,890
Support for disabled students	-	-
Research and Evaluation	9,953	9,953
	<u>43,694</u>	<u>81,593</u>

7 GOVERNANCE COSTS

General Fund		2022 £	2021 £
Auditors' remuneration	Annual audit	37,141	15,540
	Prior year adjustment	-	1,666
		<u>37,141</u>	<u>17,206</u>
Governors' expenses reimbursed		728	30
		<u>37,869</u>	<u>17,236</u>

8 TANGIBLE FIXED ASSETS

For use by Charity	Properties £	Building improvements £	Equipment £	Assets Under Construction £	TOTAL £	Current Assets to be sold £
Cost & Valuation						
At 1st Aug 2021	9,348,000	199,816	281,560	960,319	10,789,695	827,639
Revaluations	472,000	-	-	-	472,000	-
Additions	-	-	9,152	228,230	237,382	275,638
Transfer to current assets	(540,000)	-	-	-	(540,000)	540,000
Disposals	(70,000)	(13,238)	(89,817)	-	(173,055)	(1,103,277)
At 31st Jul 2022	9,210,000	186,578	200,895	1,188,549	10,786,023	540,000
Depreciation						
At 1st Aug 2021	-	122,621	258,455	-	381,076	
Charges	-	19,718	10,735	-	30,453	
Disposals	-	(9,044)	(89,817)	-	(98,861)	
Change for the period	-	10,674	(79,082)	-	(68,408)	
At 31st Jul 2022	-	133,295	179,373	-	312,668	
Net Book Value						
At 1st Aug 2021	9,348,000	77,195	23,105	960,319	10,408,619	827,639
At 31st Jul 2022	<u>9,210,000</u>	<u>53,283</u>	<u>21,522</u>	<u>1,188,549</u>	<u>10,473,354</u>	<u>540,000</u>

The freehold land and buildings now known as Spurgeon's College were transferred to the College as part of the transfer of the trusteeship of the Falkland Park Trust in 2003. The Governors had previously excluded the value of the land and buildings from the accounts. All fixed assets are held for direct charitable use. The property and land at Spurgeon's College, South Norwood Hill, London SE25 6DJ has been revalued by Gerald Eve to £7,500,000 on the basis of Existing Use Value originally as at 30th October 2020 and with an Addendum dated 22nd February 2022 as a D1 property in the wider London market, as per RICS valuation standards in a report dated 22nd February 2022.

The College received a legacy receipt of a residential property with an estimated value of £550,000; this was revalued with an impairment of £10,000 and is shown on the balance sheet under Property to be sold. This property has been sold post year end as shown in note 21.

The properties of the college beyond the main site were revalued by Kempton Carr Croft and are now held at market value as at March 2022.

The College owned a property which was let to a previous member of staff. This property had a value of £70,000, with Building improvements of net book value £4,194, and was sold with proceeds of £100,000.

The net book value at 31st July 2022 represents fixed assets used for charitable purposes. Previously fully depreciated equipment has been disposed in the year under review.

Assets under construction represent costs incurred in the development of the College campus that will be used for a mixture of Charitable and Non-Charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)

9 INVESTMENTS

a) Fixed interest and equity-based Investments

	General Fund £	General Bursary Fund £	Pringle Fund £	Vectis Fund £	Copley Fund £	Cudlip Fund £	Total £
At Valuation							
At 1st August 2021	103,646	131,923	52,968	198,509	42,664	28,062	557,772
Purchases	16,936	24,372	9,784	36,670	7,881	-	95,643
Disposals	(19,639)	(28,255)	(11,344)	(42,516)	(9,138)	-	(110,892)
Gains/(Losses)	(1,589)	(1,977)	(795)	(2,975)	(639)	(503)	(8,478)
At 31st July 2022	99,354	126,063	50,613	189,688	40,768	27,559	534,045
Represented by –							
Fixed interest securities	11,720	16,863	6,770	25,374	5,453	-	66,180
Equities	20,420	29,379	11,795	44,206	9,501	-	115,301
Investment & unit trusts	67,214	79,821	32,048	120,108	25,814	27,559	352,564
Value of Investments at Market Value	99,354	126,063	50,613	189,688	40,768	27,559	534,045
Securities at Historical Cost							
At 1st August 2021	83,984	105,218	42,244	158,322	34,026	28,628	452,422
At 31st July 2022	84,514	105,980	42,550	159,469	34,273	28,628	455,414

All these investments are listed on a recognised Stock Exchange or are ones valued by reference to such investments, such as unit trusts and common investment funds.

10 DEBTORS

	2022 £	2021 £
Amounts falling due within one year		
Trade debtors	173,683	200,287
Gift Aid receivable	6,213	27,423
Prepayments	127,293	127,945
Sundry debtors	4,420	5,177
	<u>311,609</u>	<u>360,832</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

11 CREDITORS

	2022 £	2021 £		
a. Amounts falling due within one year				
Loans	344,516	546,060		
Other Creditors & Accruals	250,202	258,859		
Taxation and Social Security	22,787	21,758		
Fees received in advance	48,205	65,524		
	<u>665,710</u>	<u>892,201</u>		
b. Amounts falling due after one year				
Loans	<u>2,657,583</u>	<u>2,256,050</u>		
There are four interest-bearing loans:				
	Type	Duration left	Rate	Amount o/s
Against 191 South Norwood Hill	Repayment	11 years	BoE base rate + 3%	346,784
Against 189 South Norwood Hill	Interest	2 years	BoE base rate + 5%	2,001,373
Against 76 South Norwood Hill	Interest	2 years	BoE base rate + 7%	327,179
Against 4 Ticehurst Road	Interest	3 months	BoE base rate + 7%	326,763
		Loans falling due within 1 year:	344,516	
		Loans falling due after 1 year:	<u>2,657,583</u>	
		Total:	<u>3,002,099</u>	<u>3,002,099</u>

See notes 18 and 21 for additional information in relation to these loans.

12 RANSFERS BETWEEN FUNDS**Transfer from General Fund to Restricted funds**

A transfer was required to clear a small overspend (£25) in the restricted Copley Income fund.

13 RESTRICTED FUNDS

	Fund Balance 1st August 2021 £	Income £	Expenditure £	Transfers £	Fund Balance 31st July 2022 £
Frank Fitzsimmonds Bursary Fund	15,400	-	(7,200)	-	8,200
Baptist Union Bursary Fund	31,023	50,900	(34,025)	-	47,898
General Bursary - Income	13,589	3,923	-	-	17,512
Pringle Bursary - Income	7,747	1,750	(6,000)	-	3,497
Vectis Fund - Income	18,915	5,433	(15,000)	-	9,348
Copley Fund - Income	3,907	1,168	(5,100)	25	-
Lampighters Bursary	14,917	2,278	(4,000)	-	13,195
Conference Communion	174	1	-	-	175
Nott Fund	412,472	1,632	(245)	-	413,859
Restricted Gifts	12,227	1,206	(3,207)	-	10,226
Oversea Student	600	-	-	-	600
Learning Support	94	380	-	-	474
Pioneer Project	20,744	-	-	-	20,744
Principal's fund	1,059	5,341	(1,655)	-	4,745
Student Rep	2,117	-	(201)	-	1,916
EBA Hardship fund	600	-	(600)	-	-
Theology of Law Course	1,599	-	(800)	-	799
The Rev Dr Curdell McLeod Bursary	-	1,250	(1,250)	-	-
Fund Raiser	-	30,000	-	-	30,000
	<u>557,184</u>	<u>105,262</u>	<u>(79,283)</u>	<u>25</u>	<u>583,188</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

Movements in comparative period

	Fund Balance 1st August 2020 £	Income £	Expenditure £	Transfers £	Fund Balance 31st July 2021 £
Frank Fitzsimmonds Bursary Fund	21,000	-	(5,600)	-	15,400
Baptist Union Bursary Fund	32,288	47,200	(48,465)	-	31,023
General Bursary - Income	9,978	3,611	-	-	13,589
Pringle Bursary - Income	10,896	1,749	(4,898)	-	7,747
Vectis Fund - Income	19,472	5,434	(5,991)	-	18,915
Copley Fund - Income	7,739	1,168	(5,000)	-	3,907
Cudlip Fund - Income	773	-	-	(773)	-
Lamplighters Bursary	18,137	4,740	(7,960)	-	14,917
Conference Communion	174	-	-	-	174
Nott Fund	412,013	1,632	(1,173)	-	412,472
Restricted Gifts	16,250	140	(4,163)	-	12,227
Oversea Student	600	-	-	-	600
Learning Support	1,570	360	(1,836)	-	94
Pioneer Project	6,829	40,000	(26,085)	-	20,744
Principal's fund	2,388	4,590	(5,919)	-	1,059
Student Rep	2,305	-	(188)	-	2,117
EBA Hardship fund	2,600	-	(2,000)	-	600
Theology of Law Course	500	2,881	(1,782)	-	1,599
The Rev Dr Curdell McLeod Bursary	-	1,250	(1,250)	-	-
OFS Hardship Funding	-	3,809	(3,809)	-	-
	565,512	118,564	(126,119)	(773)	557,184

Frank Fitzsimmonds Bursary Fund - A bequest given to assist deserving undergraduate students with their course fees whilst in full time training at Spurgeon's College for the Baptist Ministry.

Baptist Union Bursary Fund - This fund is from "Baptists Together" and is to help Baptist Union Ministers in Training with their fees and/or living costs.

Funds (see note 14) is applied to provide assistance with students' fees and charges, or in the case of the Cudlip Legacy, for general College purposes.

Lamplighters Fund - To receive donations from 'Lamplighters' and others who wish to provide direct assistance to students who are unable to pay full fees.

Conference Communion Fund - A pastoral fund, administered by the Principal, established by past and present students of the College for the benefit of colleagues experiencing personal financial difficulties.

Nott Fund - In 1976 Miss Dorothy Nott made a bequest to the College of the residue of her estate for the purpose of helping retired ministers and missionaries who were former students of the College. A property in Beckenham, 7 Glanfield Road, valued at £386,000, is held for the benefit of retired members of the College.

Restricted Gift Fund - This includes gifts towards specific projects.

Oversea Student - This fund was established to provide assistance to overseas students.

Learning Support - A fund established to assist students with additional support needs in their studies.

Pioneer Fund - Grant received from BU Newington Court for the writing of a pioneer pathway for ministerial training.

Principal's Fund - This includes gifts specifically for use at the Principal's discretion.

Student Rep - A fund established to be used by the student representatives.

EBA Hardship fund - This fund is for Baptist Union Ministers in Training on placement in the Eastern Baptist Association.

Theology of Law Course - This fund is to help with the fees of students studying on the theology of law unit.

The Rev Dr Curdell McLeod Bursary - This bursary is given to students of Caribbean heritage who are training for ministry.

OFS Hardship Funding - This fund was received from the Office for Students to help students who were struggling financially.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

14 ENDOWMENT FUNDS

	Fund Balance 1st August 2021	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2022
	£	£	£	£	£
General Bursary	134,332	-	(1,935)	(1,977)	130,420
Pringle Bursary	53,934	-	(777)	(795)	52,362
Vectis Fund	202,132	-	(2,913)	(2,975)	196,244
Copley Fund	43,442	-	(626)	(639)	42,177
Cudlip Legacy	28,062	-	-	(503)	27,559
	<u>461,902</u>	<u>-</u>	<u>(6,251)</u>	<u>(6,889)</u>	<u>448,762</u>

Movements in comparative period

	Fund Balance 1st August 2020	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2021
	£	£	£	£	£
General Bursary	133,866	(15,131)	(1,826)	17,423	134,332
Pringle Bursary	52,716	(5,045)	(733)	6,996	53,934
Vectis Fund	176,819	1,843	(2,748)	26,218	202,132
Copley Fund	38,308	90	(591)	5,635	43,442
Cudlip Legacy	22,697	-	-	5,365	28,062
	<u>424,406</u>	<u>(18,243)</u>	<u>(5,898)</u>	<u>61,637</u>	<u>461,902</u>

The income earned on the first four of these endowments is recorded in the related restricted funds (see note 13). The income on the Cudlip legacy is credited to the General Fund, which is a correction of the previous accounting, as stated in note 12 on transfers between funds.

General Bursary Fund - Income derived from the investments held in this Fund is applied to provide assistance with students' fees and charges.

Pringle Bursary - This fund is an endowment established in memory of David Pringle to provide assistance with fees and charges for a pastoral studies student not otherwise receiving any financial assistance from public funds. Preference is to be given to a student normally resident in the area of the former Lancashire & Cheshire Baptist Association (now the North Western Baptist Association).

The Vectis Fund - This fund is an endowment established in 2003 and added to in 2011 to provide assistance to either:-

- (1) students from the Isle of Wight, Hampshire or Dorset who :-
 - have the insight and ability to develop a strong pastoral role, or
 - are preparing for overseas mission, or
 - are studying on the evangelists' course; or
- (2) exceptional students from overseas who intend to return to their own country.

The Copley Fund - This fund was set up in 2003 by a bequest under the will of Edith Copley in memory of her parents John and Sarah Ann Copley. The object of the bequest was to provide assistance to any persons, with preference given to those from Yorkshire, who wish to study at Spurgeon's College with a view to entering the Baptist ministry, whom the governing body considers would be unable to do so without such assistance.

The Cudlip Legacy - A bequest from the estate of Miss Edith Mary Cudlip who died in March 2008. Under the terms of her will Miss Cudlip left the College a one thirteenth share of the residual estate with the proviso that the amount realised should be invested and the interest received should be used as a donation.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General	Restricted	Endowment	Total 2022
	£	£	£	£
Tangible fixed assets	9,605,355	386,000	-	9,991,355
Investments	99,354	-	434,690	534,044
Cash at bank and in hand	118,230	197,188	14,072	329,490
Other net Current Assets	195,899	-	-	195,899
Long term creditor	(2,657,583)	-	-	(2,657,583)
	<u>7,361,255</u>	<u>583,188</u>	<u>448,762</u>	<u>8,393,205</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES

	2022	2021
	£	£
Salaries	1,025,122	1,059,148
National Insurance costs	93,235	93,144
Pension costs: Scottish Life - 12 (13) members	36,144	36,595
Baptist Pension Scheme - 23 (18) members	59,892	49,050
	1,214,393	1,237,937

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was 33 (2021:34). The Average head count was 52 (2021:56). No employee received remuneration of more than £60,000 in the current or prior year.

The salary, employer's national insurance and pension contributions paid during the year in respect of the College Principal (who is also a Governor of the college), in respect of his teaching and administrative duties, as authorised by the Articles of Association, amounted to £54,628 (2021: £54,495).

The cost of employment of key management staff which includes Salary, National Insurance and Pension Contributions amounted to £177,012 (2021: £145,714). The key management staff include Vice Principal (Academic Director), Vice Principal (Director of Ministerial Formation) and the Chief Operating Officer.

The median pay for the year was £28,014 (2021: 35,158); the Principal's pay was 1.9 (2021: 1.6) times this.

During the year to 31st July 2022, the College made pension contributions in respect of 12 members of staff (2021: 13) into a defined contribution pension scheme where the assets are held separately from those of the Charity in independently administered funds.

The College also participates, on behalf of another 23 (2021: 18) members of staff, as an employer in the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers and members of the staff are eligible to join the Scheme.

Since January 2012, pension provision has been made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

Benefits in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31st

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2022 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

Actuarial Valuation

At the end of June 2022 the Baptist Pension Scheme signed an agreement with the insurance company Just Group ('Just') to secure members' pension benefits under the Defined Benefit ('DB') Plan. As a result, the Scheme no longer has a shortfall. A revised statement of contributions was announced in July 2022 with deficit contributions from each participating employer in the DB Plan reducing to just £1 per month from August 2022.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2022 £	2021 £
Balance sheet liability at the start of the year	79,475	85,962
Minus deficiency contributions paid	(15,198)	(11,875)
Plus Interest cost	-	1,396
Actuarial (gains)/losses on re-measurement of liability	(64,277)	3,992
Balance sheet liability at the end of the period	<u>-</u>	<u>79,475</u>

The key financial assumptions underlying the valuation were as follows:

Accounting date	31/07/2022	31/07/2021	31/07/2020
Discount rate	3.8%	1.6%	1.7%
Future increases to Minimum Pensionable Income	0.0%	3.2%	3.3%

17 GOVERNORS' REMUNERATION AND LOANS

Governors are not paid for their services as governors (except as regards the College Principal – see note 16 on the previous page). Reimbursements of £728 (2021: £30) were paid to four governors for directly incurred travel and other expenses. During the year none of the governors received a loan from the charity.

18 RELATED PARTY TRANSACTIONS

The College Principal is also a Baptist Union trustee. The College has four loans with the Baptist Union Corporation (see note 11). During the year a further £77,000 was added to two of the loans. The total amount outstanding as at 31st Jul 2022 was £3,002,099 (2021: £2,802,110). The College also received Baptist Union grant money for the year totalling £50,900 (2021: £76,384).

During the 2021/22 year the charity obtained personal loans totalling £107,467 from the governors, including a trustee, which were repaid during the year, except for £30,000 of the trustee's loan which was given to the college as a donation. The £200,000 loans from staff in 2020/21 were also repaid in full in the period under review. No interest was charged on these personal loans.

During the year donations totalling £31,180 (2021: £960) from the trustees were received by the charity.

See note 21 (Post balance sheet events) for further information relating to loans after the year end.

19 STATUS OF THE COMPANY

The company is limited by guarantee. The number of members of the Council at the year end was 36 (2021: 36). In the event of a winding-up of the company, the maximum liability of each Council member is £10.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2022 (continued)

20 COMMITMENTS UNDER OPERATING LEASES

At 31st Jul 2022 the college was committed to making the following payments for operating leases:

Within:	2022 £	2021 £
Less than One Year	18,141	15,834
In two to five years	4,085	10,040
Greater than five years	36	22
	<u>22,262</u>	<u>25,896</u>

21 POST BALANCE SHEET EVENTS

The College was left a property, 4 Ticehurst Road, shown on the balance sheet as a current asset on the balance sheet at 31 July 2022 under property to be sold. It was sold with proceeds of £650,000 which were used to pay off the £326,763 interest only Baptist Union loan shown in note 11.

In order to achieve short term refinancing, the college took out a loan from TAB of £5,050,000 over a period of 24 months at an interest rate of Bank of England base rate plus 10.75%. £1,313,000 were retained by the lender to pay the first 24 months interest. Part of the remaining proceeds were used to pay off the £2,001,373 interest only Baptist Loan shown in note 11.

SPURGEONS COLLEGE

England & Wales - Charity number 1096721

Accounts



REPORT OF THE GOVERNORS
and
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st July 2021

Company number: 04418151

Charity registration number: 1096721

Registered office:
189 South Norwood Hill, London SE25 6DJ

Website: www.spurgeons.ac.uk

SPURGEON'S COLLEGE

Registered charity no. 1096721

**Incorporating trust property held in connection with Spurgeon's
College registered charity no. 312888 and Falkland Park Trust
registered charity no. 1096721-1**

REPORT OF THE GOVERNORS

and

FINANCIAL STATEMENTS

FOR THE YEAR

ENDED 31st JULY

2021

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SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

REFERENCE AND ADMINISTRATIVE DETAILS

Spurgeon's College is a company limited by guarantee registered in England and is also a charity registered with the Charity Commission. The governors are both the directors of the company and trustees of the charity.

Company registration number 04418151

Charity registration number 1096721

Registered office Spurgeon's College
189 South Norwood Hill
London SE25 6DJ

Governors Rev'd Stuart Davison (*Vice-Chair*)
Prof Sir Leslie Ebdon
Rev'd Jonathan Edwards
Mrs Joanne Gale
Rev'd David Kerrigan (*Treasurer*) (to 31st March 2021)
Mrs Charlotte Kirby-Thomson
Mrs Sarah King (*Chair*)
Rev'd Prof Philip McCormack (*Principal*)
Ms Charmaine Mhlanga (*Student governor*)
Mr David Locke (*Treasurer*)
Mr Neil Sherringham
Pastor Michael White
Ms Genelle Aldred (to 16th December 2021)

Senior staff Rev'd Prof Philip McCormack (*Principal*)
Rev'd Helen Stokley (*Chief Operating Officer*)
Rev'd Dr Stephen Wright, (*Vice Principal – Academic Director*)
Rev'd Simon Jones (*Vice Principal – Director of Training & Ministerial Formation* to 12th February 2022)
Rev'd Seidel Abel Boanerges (*Dean of Ministerial Formation – Designate*) (from 1st September 2021 and Dean from 12th February 2022)

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

Principal advisers

Solicitors	(to 31 st January 2021) Morrisons Clarendon House Clarendon Road Redhill RH1 1FB Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Bankers	NatWest Bank Addiscombe Branch 209 Lower Addiscombe Road Croydon Surrey CR0 6RB
Auditors	(to 2 nd June 2021) Mazars LLP 2 nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS (from 13 th July 2021) Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Investment Managers	Rathbones 159 New Bond Street London W1S 2UD
Independent Financial Advisers	AW Financial Management LLP River House 1 Maidstone Road Sidcup Kent DA14 5RH

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

GOVERNORS' ANNUAL REPORT

The governors have pleasure in presenting their report and the financial statements of Spurgeon's College for the year ended 31st July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

Spurgeon's College is governed by its Articles of Association as adopted by Council on 18th June 2020.

The members of the charity are the members of the Council. In the event of the College winding up, each member of the Council undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the College, all remaining assets shall be given or transferred to another charity having the same or similar objects to the College in accordance with charity law.

The College occupies land and buildings in South Norwood, London. These, including a residential property, are owned by the Falkland Park Trust (Charity No: 1096721-1, previously Charity No: 1017769). Under a Charity Commission Scheme dated 13th February 2003, the company (Spurgeon's College) became sole Corporate Trustee of the Falkland Park Trust.

On 29th April 2019 Spurgeon's College Development Limited was incorporated as a wholly owned subsidiary of Spurgeon's College. The company has been dormant since incorporation and will be used for future College development projects.

Validation and regulation

Spurgeon's College is an approved partner of the University of Manchester, Liverpool Hope University (from January 2021), and the Institute of Pastoral Counselling, and is an approved teaching centre for the Counselling and Psychotherapy Central Awarding Body. The College remains a collaborative centre of the University of Wales on teach-out, and has validation links with the University of Chester for some postgraduate degrees, which are also on teach-out.

Spurgeon's College and the University of Manchester have an exit arrangement from their validation arrangement. This exit arrangement will cover existing students on University of Manchester validated programmes through to completion ('run out') and includes students entering on a University of Manchester validated programme in the academic year up to and

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including 2022/2023.

In January 2021, the QAA began its visits and observation phase of the College's application for Taught Degree Awarding Powers. If successful in its application, students will enter on a Spurgeon's College's validated degree in the academic year 2022/23. In January 2021, the College started offering two new Masters degrees validated by Liverpool Hope University.

Spurgeon's College is regulated by the Office for Students (OfS), the Quality Assurance Agency (QAA), which reviews and assures Higher Education standards, and subscribes to the Higher Education Statistics Agency (HESA), which collects, processes and publishes data about higher education in the UK, and the Office of the Independent Adjudicator (OIA), the independent body set up to review student complaints.

The College is also a member college of the Baptist Union of Great Britain, and a member of the Evangelical Alliance and the Micah Network.

Organisational structure and decision making

The management of the College is vested in the Board of Governors. The governors are directors of the company limited by guarantee and trustees of the charity. The Board meets on at least four occasions each year and is responsible for delivery of the College's charitable objects, setting the strategic direction and upholding the values of the College.

The Council is the body to whom the governors are accountable. The Council also provides advice, acts in advocacy for the College and appoints the governors. The Council comprises:

- up to twelve members appointed by the current members of the College Conference (former students);
- for each of the London, Eastern and South Eastern Baptist Associations, up to four members, including one Regional Minister and up to three Lay Members who are interested in furthering the work of the College, appointed by the directors of the Associations;
- up to three representatives of the Particular Baptist Fund appointed by the Managers of the Fund;
- the governors;
- the Chief Operating Officer and the Vice-Principals;
- up to six members of College staff including three tutorial staff and three other members of staff;
- one representative of the Baptist Union of Great Britain appointed by its trustees;
- one representative of BMS World Mission appointed by its trustees;
- up to three representatives of the student body;
- up to three people co-opted by the Governors in liaison with ecumenical bodies in South London; and
- up to four other people co-opted by the Governors.

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The Board of Governors is assisted in its work by a number of advisory committees formed of governors, Council members, College supporters and members of staff. The Board sets

the terms of reference for each committee, which are reviewed regularly, and appoints committee members with relevant expertise and experience. The advisory committees meet as and when required, provide minutes of each meeting to the governors, and also report on their activities to the annual general meeting of the Council.

The advisory committees are as follows:

- Buildings Group – provides advice and assistance on all matters concerning the College properties.
- Marketing, PR and Income Generation Group – provides advice and assistance on all matters concerning income generation, including recruitment, and promotion of College activities.
- Equality, Diversity and Inclusion Monitoring Group - advises on matters relating to equality, diversity and inclusion issues and ensures compliance with the law and best practice.
- Finance Committee - provides advice and assistance on all matters concerning the College finances
- Audit & Risk Committee –provides advice and assistance on all matters concerning risk management and audit.
- Governance Group – provides advice and assistance on all matters concerning governance.
- Nominations Group - provides advice on the selection of new governors.
- Academic Board – oversees the courses, standards and outcomes of the courses offered throughout the College.

The Academic Board is the body entrusted by the governors with overseeing the educational work of the College. The members during the year ended 31st July 2021 were as follows:

- Rev'd Prof Philip McCormack, Principal* (Chair)
- Katie Walsh* (Senior Registrar), Rev'd Dr Stephen Wright* (Academic Director), Rev'd Seidel Abel Boanerges*, Rev'd Dotha Blackwood*, Mr Rob Bradshaw*, Dr Thomas Breimaier*, Rev'd Dr Pieter Lalleman, Rev'd Simon Jones*, Dr Debra Reid*, Dr Zoltan Schwab,* Dr Joshua Searle*, Rev'd Martin Stokley*
- Representing the associate and online tutors: Rev'd Robert May*
- Representing the College of Preachers: Rev'd Dominic Robinson
- Counselling course leader: Mrs Patricia McIlroy*
- Representing the Governors: Prof Sir Les Ebdon
- Representing the Council and also wider academic life: Christine Dunmow
- Representing wider academic life: Prof. James Carpenter; Dr Andrew Jones; Prof. Geoffrey Cook; Prof. Jerry Forrester; Dr Trevor Stammers and Prof. Andrew Thomason.
- Three representatives of undergraduate students (from different pathways) and up to three representatives of postgraduate students (from different pathways)

*Denotes members of staff who are remunerated for their service relating to the teaching and administrative activities of the College rather than in their role as members of the Academic Board.

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The Board delegates the management of all operational, financial and academic matters to the Principal who in turn delegates relevant activities to the senior management of the College, the Heads of Departments: the Chief Operating Officer; the Academic Director; and the Director of Ministry Formation and Training.

The Heads of Departments are invited to attend each Board meeting and are required to provide a report detailing the activities of their departments to inform Governors of their oversight of each department.

Governor recruitment and appointment

The Board of Governors comprises not less than nine and not more than 13 members. The quorum for the transaction of the business is the greater of one third of the governors or three.

At every annual general meeting one-third, or the number nearest to (but not greater than) one third, of the governors (other than the Principal (ex-officio) and Student Governor (appointed by the governors)) retire from office, but are eligible for re-appointment by the Council members. Governors, other than the Principal and Student Governor, are normally appointed for a term of three years. They serve for no more than nine years, unless the governors exceptionally resolve to permit a further term for no more than one governor at a time. The Student Governor is appointed for a term of one year renewable for further periods of one year up to a maximum of four years.

The Board of Governors has the power to co-opt new governors but those co-opted have to stand for election at the following annual general meeting. Co-options are made on the recommendation of the Nominations Group whose members review the skills matrix of the Board and role descriptions, and identify suitable candidates for appointment to the Board. Candidates are recruited from direct approaches, recommendations and referrals, and by advertising, as appropriate. The Board endeavours to reflect the diversity of the student body in its own composition, ensuring there is diversity of gender, age, ethnicity and denominational allegiance. Potential new governors meet the Nominations Group to discuss the role requirements.

Following appointment, all new governors are issued with a Governance Handbook and other appropriate documentation. Guidance is given on the roles and responsibilities of being a charity trustee and governor, and on the College's governance structure. Meetings with key College personnel are arranged.

Remuneration

The governors are committed to ensuring a balance between paying staff to attract and retain the best people for the job and careful management of charitable funds.

In determining the remuneration paid to academic staff, the governors are cognisant of the remuneration given to those working in similar roles in other theological and Bible Colleges, and to ministers in the Baptist Union. Where possible, remuneration attached to jobs in support functions is benchmarked against similar jobs in the local jobs market. Cost of living increases may be awarded annually to all staff on the basis of a recommendation from the

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Finance Committee in the context of the annual budget setting process, following consideration of the increase in Retail and Consumer Price Indices and the College's financial position.

Objectives and activities

Objects

The College's charitable objects are to advance the Christian religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices usually called evangelical, in particular through the provision of education, training, vocational preparation and support to Christians for mission and ministry.

Our Mission

To train men and women for Christian mission, ministry and leadership in the contemporary world

Our Vision

The College draws its vision from three sources:

- a. *A confessional foundation* – established by CH Spurgeon in 1856 as the Pastors' College, Spurgeon's College is a Christ-centred, evangelical college in the Baptist tradition, engaged in biblical and theological education.
- b. *A formative ethos* – this flows from our life as a community that meets daily for worship, where preparation for Christian service is enriched by the practice of gathering daily as a community to glorify God, who is Father, Son and Holy Spirit.
- c. *A geographical location* – the College is intentionally London based, with a national focus and a global reach.

The College Vision for the next ten years is:

- To cultivate a creative learning environment allowing every student to develop spiritually, academically, emotionally and socially.
- To deliver a relevant, structured curriculum tailored to training men and women for mission, ministry and leadership for all who wish to deepen their understanding of the Scriptures and theology.
- To develop the College's position, in the global and diverse city of London, as a research-led, experience-based, centre of excellence delivering positive outcomes for students.
- To maintain the highest professional and ethical standards in every area of College life.

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Our Values

As a Christian Higher Education Theological College our values are directly drawn from and aligned with biblical principles. In particular:

- We believe in the inherent moral equality, dignity and worth of every individual.
- We value the unique distinctiveness of each member of the College community.
- We celebrate the richness of being a diverse and inclusive community.
- We believe that as a community meeting daily for worship we must be careful to listen to God and discern his will and purpose.
- We will promote the general wellbeing of all members of the student community and College staff.
- We are committed to assisting every student in reaching their potential.

The College's Values are consistent with and build upon 'The 7 principles of public life'¹ often referred to as the 'Nolan Principles.'

Students

The College's main activity is the provision of theological education and ministerial and practical training for Christian mission and ministry.

The number of students studying at the College increased in this financial period, despite the decision by the Senior Management Team to deliver the College's educational programmes digitally through the whole academic year. Existing and prospective students were kept fully informed of the decision to deliver its programmes digitally because of the impact of the global coronavirus pandemic. The College's Digital Educational Framework was published on its website and revised in December 2020. It should be noted that the impact of Covid-19 meant that the College's Birmingham and Cambridge hubs could not remain open for face to face teaching, which impacted student numbers on our weekend and evening courses and student related income at these two locations.

In spite of the global pandemic, Spurgeon's College continues to prepare candidates for ordination to Baptist ministry within the Baptist Union of Great Britain, and train pastors and leaders from other denominations. The College also includes students who are pursuing a theological education for its own merits in its diverse learning community, and this further enriches the life and experience of all community members. Since its foundation, over 5,000 churches worldwide have been served by Spurgeon's ministers and its trained ministers are active in over 35 countries. The College has also developed post-graduate provision for continuing ministerial development training and has a thriving post-graduate research community. It offers other accessible training packages for church members seeking to serve in lay capacities and in counselling or pastoral supervision roles.

Public benefit

The governors carefully consider the Charity Commission's guidance on public benefit in determining what work is done, and the guidance informs the College's aims, plans and activities. The governors take seriously their responsibility to offer high quality academic provision that also represents value for money to students and to taxpayers.

¹ See <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

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Those who benefit from the College's work directly are the students who study and/ or train for ministry, both ordained and lay, and also, indirectly, those who worship in and benefit from the ministry of churches in the UK and around the world which are served by students and former students.

The students benefit through:

- Enhanced knowledge and skills
- Academic and professional study and qualifications
- Broadened perspectives on faith and the world
- Deeper and stronger personal spirituality gained from living, studying and worshipping in a Christian community.

The benefit to the general public comes through:

- Leadership by properly trained and equipped ordained ministers, lay leaders and counsellors of churches which are open for public worship.
- Leadership of and involvement in Christian charitable and social action work by current and former students of the College who have been motivated, inspired and equipped by their courses at College.

The governors ensure that the courses at Spurgeon's College are designed for those who seek to further their knowledge of Christian theology or train for Christian ministry and train to become counsellors. Whilst the College is part of the Baptist Union of Great Britain, a wide variety of church traditions are represented within the student body and the content of the courses offered reflects this diversity.

The College's *Access and Participation Plan* demonstrates the College's commitment to fair access and opportunity. The College helps those seeking to come to the College to identify the course that is appropriate to their current and future needs, depending on their interests and individual calling. The College has a wide range of courses and study options available with a similarly wide range of fees.

Fees are set at rates which are appropriate bearing in mind similar courses offered by other Baptist and Bible colleges and centres delivering counselling courses. All courses are subsidised as the income from fees is less than the cost of providing courses. Donations and legacies from supporters, income derived from use of properties and assets, and investment income, all contribute to the subsidy.

Students who are training for the Baptist ministry have access to the Baptist Union Bursary Fund. They and other students have access to bursary funds administered by the College and to grants from charitable trusts. The College is active in ensuring that students with financial needs have information about raising money to fund their training and are able to apply for bursaries.

Additional public interest governance principles

The governors monitor good practice within both the charity and Higher Education sectors. This means that Spurgeon's College is seeking to align its governance processes, in regard to Higher Education, with the current guidance from the Committee of University Chairs contained in The Higher Education Code of Governance.² The governors are satisfied that adequate and effective measures are in place to ensure that when the College is in receipt of public funds they are appropriately used, in line with the conditions of the grant and the principles of regularity, propriety and value for money to protect the interest of taxpayers and consistent with its Charitable objects.

Volunteers

The College's work is supported by a number of volunteers whose contribution is invaluable and underpins the success of the College. In addition to those involved with the College's governance, volunteers assist with the Library, with the Learning Support Department, with church placements, and in various administration support roles.

Strategic report

Agreed strategy

The progress in relation to the College's objectives as defined in 2018 is reported as follows:

- a. To register with the Office for Students as soon as possible after 31st August 2018 in the Approved (Fee Cap) category.

The College was registered with the Office for Students in November 2019 and therefore this objective has been achieved.

- b. To apply for and achieve Taught Degree Awarding Powers from the Office for Students by August 2019.

The College applied for Taught Degree Awarding Powers (TDAPs) in September 2020 and is approaching the end of the scrutiny process. The result of the College's Full TDAPs application will be known in the first quarter of 2022.

- c. To secure 'indefinite' Taught Degree Awarding Powers.
- d. To apply for Research Degree Awarding Powers upon securing 'indefinite' Taught Degree Awarding Powers.
- e. To explore attaining university title once indefinite Taught Degree Awarding Powers have been secured.

Objectives, c, d and e will be pursued once Taught Degree Awarding Powers are achieved.

- f. To provide excellent and continually improving levels of education, formation and learning resources for all students across the board.

² See <https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf>

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The College continues to provide excellent and continually improving levels of education, formation and learning resources as demonstrated by 100% of students agreeing in the National Students Survey that they are satisfied with the College. Student feedback at a unit, course and institution level also records high rates of satisfaction. Continued registration with the Office for Students and the College's continuing commitment to excellence demonstrates the College's commitment to continually improve.

- g. To encourage and facilitate access and participation in Higher Education.

The governors have commissioned and implemented an Access and Participation Plan (2020/21 to 2024/5) which is available on the College website and is monitored by the Access and Participation Monitoring Group, chaired by a governor.

- h. To develop a school and community outreach programme, utilising our connections with our existing and new partnerships, to encourage young people from all backgrounds to consider Higher Education.

The Principal and COO continued to discuss with Croydon Council ways in which the College could help raise attainment of the young people within the borough. The Community Worker has been actively reaching out to and working with community groups in South Croydon and engaging with local secondary schools.

- i. To foster relationships with the growing church, especially in relation to the growing Black, Asian and Minority Ethnic (BAME) movements in London and the UK.

The dialogue with BAME movements in London and the UK continued during the pandemic. Practical partnerships are expected to be explored in more detail during the academic year 2021-2022.

- j. To explore with leaders from the BAME communities the creation of a range of bursaries and scholarships to encourage students from Under Represented Groups to study at Spurgeon's College.

The College committed itself to give student bursaries and scholarships to those from BAME and IMD communities with household incomes under £25,000 in 2020/21. This commitment was honoured in the reporting period of this report.

- k. To develop the College's capacity to resource the churches locally in London and nationally across the United Kingdom.

The College's investment in its digital capabilities ensured that during this reporting period it continued to resource churches in London and across the UK.

- l. To maintain and develop the College's reputation as a centre of excellence for counselling courses.

The report from CPCAB, in this reporting period, praised the counselling centre for continuing to be a centre of excellence.

- m. To develop partnerships with international universities and theological colleges, for example, through our International Distinguished Visiting Scholar programme.

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The College continues to be in partnership with Anderson University in South Carolina and is engaged in continuing talks with a number of international partners, with whom the College is forming partnerships and programmes.

- n. To foster and develop partnerships with international Baptist Associations and Unions.

The Principal has been elected to be a member of the Baptist World Alliance of Churches giving the opportunity to develop relationships and discuss strategic partnerships.

- o. To deliver capital build projects that contribute to income generation and the research and Higher Educational objectives of Spurgeon's College. For example:
- Build apartment block(s) as a source of income generation and additional accommodation space for international students.
 - Build a CH Spurgeon heritage and conference centre that is financially self-sustaining and income generating.
 - Build a spiritual retreat centre in the wood.

- p. Manage our building portfolio to support the delivery of the capital build projects.

The planning permission application submitted for the Raleigh Park Baptist Church site in Brixton was granted in this reporting period. The sale of this site will release substantial funds for the College.

- q. To develop and maintain a financial strategy that will deliver the College's objectives.

The governors, finance committee and senior management teams continue to monitor and implement the financial strategy adopted by the governors to diversify the income streams of the College through building development and revenue from property management.

Financial review

General (unrestricted) fund

The College recorded a deficit on the General Fund in 2020/2021 of £403,848 (2019/20, deficit of £562,596).

The major income stream is the fees charged to students. The College continues to be thankful for the donations and legacies which also contribute to the College's income. The College continued to receive public funds from the Office for Students in the form of a teaching and learning grant. This has been recorded in other income with an explanatory note 3a. It should be noted that the College's accommodation income has continued to be reduced because lettings were not possible due to Covid-19 restrictions. In the 2020/21 period, 99% expenditure was on charitable activities and 1% on generating funds (2019/20, 98% and 2% respectively). The College's operating costs remained consistent with the previous year, with staff working to ensure the College was best placed to meet the increased regulatory and reporting burden associated with the Office for Students and the application process for degree awarding powers.

Restricted and endowment funds

A range of restricted funds appear in the accounts, being money donated for specific purposes such as student support through bursaries and enhanced teaching facilities. The governors are grateful for income received that has supported a range of specific projects.

Total income for the year was £118,564 (2020: £125,793) and total expenditure was £126,119 (2020: £136,159). At the year end total restricted funds were £557,184. Total endowment funds at the year end were £461,902.

Investment policy

The College's investment portfolios are managed on a discretionary basis by investment managers. The investment objectives of the respective portfolios are set out in an investment policy statement, which also prescribes the ethical policies to be followed by the investment managers. Investments are managed to achieve a balanced return between income and capital growth, generating income for use for current purposes whilst maintaining the value of investments for the benefit of future students. The Finance Committee conducts a review meeting once a year with the investment managers and the independent financial adviser and reviews the performance of investments regularly.

Reserves policy and future prospects

In accordance with Charity Commission guidance, the governors monitor the level of funds held in unrestricted reserves, recognising the pressures caused by the imbalance between income and expenditure at certain times of the year. Whilst income fluctuates over the course of a College year, salaries and other regular monthly costs continue throughout the year. Given the annual shortfalls between College income and expenditure in recent years, it is also necessary to maintain reserves which can help fund shortfalls as and when they occur whilst the governors continue work to return General Fund income and expenditure after the receipt of donations to equilibrium.

The governors have determined that the optimum level of free reserves that the College should hold to ensure its survival should be sufficient to cover six month's budgeted operational expenditure, which equals £1,103,000. This compares with the reported unrestricted free reserves of £350,435 as at 31st July 2021 – see Note 15 "Analysis of Net Assets by Fund" for Total Unrestricted Funds less Fixed Assets and related loan funding (Long Term Creditor). In order to secure the financial future of the College, the governors have been working on a project to release value from the College site to provide an ongoing income stream, an increase in reserves, and new buildings for academic use. In this period continued progress has been made on a major development project which will achieve these aims. A considerable amount of work has been done on a project that will provide a substantial number of housing units for sale and rent whilst protecting the majority of the site for continued use by the College for its purposes. The College has strategically invested in this project in order to maximise the return and had been expecting the planning application to be approved in 2021. Due to a combination of the ongoing impact of Covid-19 restrictions and well-publicised financial pressures impacting upon Croydon Council, the College's planning application is now anticipated to be approved in 2022.

Fundraising activity

The College does not currently employ anyone dedicated to fundraising, nor does it use external fundraisers or commercial participators. The fundraising focus is on developing relationships with College supporters, which is done through the College social media channels, electronic communications and events. It has been more difficult to meet with supporters in the period due to the pandemic. The College has not received any complaints about its fundraising activities and practices.

COVID-19

The scale and spread of Covid-19 (coronavirus) virus worldwide and the actions taken by the government caused disruption to the College's activities and income. During 2020-2021 the outbreak had a significant impact on the way the College delivered its education. In 2019-2020 the College had moved the delivery of all its educational programmes to digital mode and took the decision to continue with digital delivery of its programmes at the start of the academic year 2020-2021; an approach which proved apposite and continued throughout the academic year.

Throughout the pandemic, the governors continued to monitor the situation very closely, with Covid-19 and the College's approach to mitigating risk a standing item on each Board meeting agenda.

Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least 12 months from the date of approval of the financial statements. Further detail of this assessment is found in note 1, page 25.

The governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

Principal risks, uncertainties and opportunities

The College has continued to implement a number of actions that resulted in a comprehensive governance review undertaken in November 2019. The Audit and Risk committee has been functioning effectively and is now embedded within the College's normal rhythm of operations. The introduction of three new middle managers within the Operations Department, as a consequence of the governance review, has been yielding the anticipated results, which have been and are being felt across the institution.

Maintaining the wide variety of activities of the College is not without its challenges and the governors have sought to manage the risks of such a faith undertaking by identifying the areas of major potential risks as: the College's ongoing challenging financial position, where operating income is less than operating expenditure and the College is dependent on receiving charitable donations and legacies and generating income from other sources; failure to comply with legal requirements and OfS regulation; and the loss of key employees and inability to replace key staff effectively.

The College is vulnerable to a decline in student numbers at a time when church attendance is decreasing and congregations find it more difficult to afford to pay a minister and the economic situation makes it harder for students to afford even the subsidised fees charged.

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Many independent theological and bible colleges are struggling to attract sufficient numbers of students and are facing financial problems. The College's location in London with a growing and diverse church scene, its evangelical tradition and reputation for excellence, and the variety of courses and modes of study offered all continue help mitigate the risk of a decline in recruitment.

As set out in the financial review section above, a considerable amount of work has been done to realise value from the College's site to ease the challenging financial position. The proposed major development will provide annual rental income, a one-off increase in reserves, and enable the College to build new academic buildings from which the College will be able to operate into the future, providing capacity to increase student numbers and cutting-edge facilities. In this reporting period the College continued to make progress in refining its plan to develop the site to help secure the financial future of the College.

The project to develop the site of Raleigh Park Baptist Church, which closed 31 December 2018, successfully achieved full planning permission. The site was offered for sale in 2021 and received a number of competitive offers from developers. The sale of the site will deliver a significant financial return for the College.

The Governors are aware that the College compares well on cost per student in all areas other than regulation and compliance: due to the size of the student body, the cost of fees paid to regulatory bodies, staff costs in academic administration, regulation and compliance areas, and IT costs associated with these areas, is considerably higher per student than for other larger HE providers. This is a source of concern and every effort is made to operate efficiently and cost effectively.

As part of its strategic educational plan the College continues to look at the diversification of income stream and has a long-term plan to explore increasing its educational offering, for example offering dual honours degrees in subjects like sociology, counselling and philosophy. The College successfully concluded a partnership agreement with Liverpool Hope University (LHU), which enables LHU to deliver its own programmes from the London site in the evenings and weekends. These additional courses, in Business Management and Marketing BA (Hons), International Relations and Social Policy BA (Hons), and Media & Communication and Creative Writing BA (Hons), are expected to increase the College's tuition fee income in the coming years.

The continued highly respected reputation of the College is crucial to its existence. The College participates actively in the Baptist Union of Great Britain and Evangelical Alliance, and maintains links locally, nationally and internationally. The Council, College Conference (alumni network) and the College's supporter base play a key role as ambassadors for the College.

Governors' responsibilities for the financial statements

The governors (who are also directors of Spurgeon's College for the purposes of company law) are responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements the governors are required to:

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- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 charitable company will continue in business.

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

Disclosure of information to auditors

To the knowledge and belief of the governors, there is no relevant information that the College's auditors are not aware of, and the governors have taken all the necessary care to ensure and establish that the auditors are aware of any relevant information.

Auditors

Moore Kingston Smith LLP will be proposed for reappointment in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 14th March 2022

Signed on behalf of the governors



SARAH KING
Chair

14th March 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

Opinion

We have audited the financial statements of Spurgeon's College ('the company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 trustees' 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 company's ability to continue as a going concern for a period of at least twelve 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.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information 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 there is 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 the audit:

- the information given in the report of the governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the governors.

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

- adequate 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 trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the report of the governors and from preparing a strategic report.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15 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 trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may
- involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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. 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

15th March 2022

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

SPURGEON'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31st JULY 2021

		Unrestricted	Restricted	Endowment	12 months 2021	11 months 2020 (Restated)
		Funds	Funds	Funds	Total	Total
Note	£	£	£	£	£	£
Income from:						
Donations and legacies	2a	672,601	101,461	-	774,062	421,167
Charitable activities	2b	972,301	1,632	-	973,933	890,493
Investments	3	4,900	11,662	-	16,562	17,691
Other	3a	105,256	3,809	-	109,065	76,610
Total income		1,755,058	118,564	-	1,873,622	1,405,961
Expenditure						
<i>Raising Funds</i>						
Costs of raising voluntary income	4	11,921	5,834	5,898	23,653	28,048
<i>Charitable activities</i>						
Student-related expenditure	5	2,146,985	120,285	-	2,267,270	1,940,509
Total expenditure		2,158,906	126,119	5,898	2,290,923	1,968,557
Net expenditure before gains/(losses) on investments		(403,848)	(7,555)	(5,898)	(417,301)	(562,596)
Transfers between funds	12	19,016	(773)	(18,243)	-	-
Gains on the sale of fixed assets		-	-	-	-	-
Gains on Investments	9	14,395	-	61,637	76,032	(52,633)
Gains on revaluation of fixed assets		7,500,000			7,500,000	-
Net movement in funds		7,129,563	(8,328)	37,496	7,158,731	(615,229)
Fund balances b/fwd (as previously stated)		970,140	533,224	424,406	1,927,770	2,573,995
Prior year adjustments	21	17,301	32,288	-	49,589	18,593
Fund balances b/fwd (as restated)		987,441	565,512	424,406	1,977,359	2,592,588
Fund balances c/fwd at 31 st July 2021		8,117,004	557,184	461,902	9,136,090	1,977,359

All amounts relate to continuing activities and there are no recognised gains or losses other than those included above

The notes on pages 25 to 37 form part of these financial statements

SPURGEON'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) - DETAILED COMPARATIVE FIGURES
FOR THE 11 MONTHS ENDED 31st JULY 2020

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	11 months 2020 Total (Restated) £
Income from:					
Donations and legacies	2a	312,975	108,192	-	421,167
Charitable activities	2b	888,997	1,496	-	890,493
Investments	3	6,990	10,701	-	17,691
Other		71,206	5,404	-	76,610
Total income		1,280,168	125,793	-	1,405,961
Expenditure					
<i>Raising Funds</i>					
Costs of raising voluntary income	4	22,168	63	5,817	28,048
<i>Charitable activities</i>					
Student-related expenditure	5	1,804,413	136,096	-	1,940,509
Total expenditure		1,826,581	136,159	5,817	1,968,557
Net expenditure before gains on investments		(546,413)	(10,366)	(5,817)	(562,596)
Gains on the sale of fixed assets		-	-	-	-
Losses on Investments		(10,222)	-	(42,411)	(52,633)
Net movement in funds		(556,635)	(10,366)	(48,228)	(615,229)
Fund balances b/fwd (as previously stated)		1,551,608	549,753	472,634	2,573,995
Prior year adjustments	21	(7,532)	26,125		18,593
Fund balances b/fwd (as restated)		1,544,076	575,878	472,634	2,592,588
Fund balances c/fwd at 31st July 2020		987,441	565,512	424,406	1,977,359

BALANCE SHEET
AS AT 31st JULY 2021

		2021	2021	2020	2020
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8	10,408,619		2,091,675	
Investments	9	557,772		476,412	
			10,966,391		2,568,087
Current Assets					
Property to be sold		827,639		689,924	
Debtors & Prepayments	10	360,832		267,818	
Cash		208,954		1,141,551	
		1,397,425		2,099,293	
Creditors : Amounts falling due within one year					
Creditors & Accruals		826,677		230,886	
Fees received in advance		65,524		74,072	
	11a	892,201		304,958	
Net Current Assets			505,224		1,794,335
Total assets less current liabilities			11,471,615		4,362,422
Creditors: amounts falling due after more than one year	11b		2,256,050		2,299,101
Provisions for liabilities	16		79,475		85,962
Net Assets			9,136,090		1,977,359
Represented by Funds					
General Funds			8,117,004		987,441
Total Unrestricted Funds			8,117,004		987,441
Restricted Funds	13		557,184		565,512
Endowment Funds	14		461,902		424,406
	15		9,136,090		1,977,359

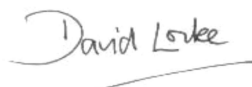
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 25 to 37 form part of these financial statements

Approved by the Governors on 14 March 2022 and signed on their behalf by:



Sarah King
CHAIR



David Locke
HONORARY TREASURER

SPURGEON'S COLLEGE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st JULY 2021**

	2021	2021	2020	11 months
	£	£	(Restated)	2020
			£	(Restated)
			£	£
Cashflows from operating activities				
Net expenditure	(416,128)		(562,596)	
Adjustments for:				
Depreciation	25,552		24,051	
Interest income	(2,390)		(4,687)	
Trade and other receivables	(93,014)		53,301	
Trade and other payables	62,102		3,571	
Provisions for liabilities	(6,487)		(12,851)	
Cash flows used in operations		(430,366)		(499,211)
Cash flows from investing activities				
Purchase of property plant and equipment	(980,211)		(424,968)	
Purchase of investments	(90,644)		(109,669)	
Proceeds on disposal of investments	85,316		123,197	
Interest received	2,390		4,687	
Proceeds on sale of current assets	-		-	
		(983,148)		(406,753)
Cashflows from financing				
Proceeds from new loans		525,000		2,000,000
Repayment of loans		(42,910)		(1,042,773)
Net (decrease)/increase in cash		(931,424)		51,263
cash at the beginning of the year		1,141,551		1,090,288
cash at the end of the year		208,954		1,141,551

Analysis of cash and cash equivalents and changes in net debt

	At 1 st August 2020	Cashflows	At 31 st July 2021
	£	£	£
Cash at Bank	1,141,551	(932,597)	208,954
Loans	(2,320,020)	(482,090)	(2,802,110)
	<u>(1,178,469)</u>	<u>(1,414,687)</u>	<u>(2,593,156)</u>

	At 1 st September 2019	Cashflows	At 31 st July 2020
	£	£	£
Cash at Bank	1,090,288	51,263	1,141,551
Loans	(1,362,793)	(957,227)	(2,320,020)
	<u>(272,505)</u>	<u>(905,964)</u>	<u>(1,178,469)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021**

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and accordance with The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis, except as stated in sub paragraph 1.5. The charity meets the definition of a public benefit entity under FRS 102.

The financial year end of the College was changed from 31st August to 31st July in 2020. Accordingly, the comparative figures are for eleven months from 1st September 2019 to 31st July 2020.

Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The governors have made this assessment for a period of at least 12 months from the date of approval of the financial statements.

The current economic climate as a result of the Covid-19 pandemic has put a further strain on the amount of income that the company can generate from course offerings and the College continues to diversify its sources of income in order to secure its financial future.

The College is in advanced discussions with a property developer to develop the College site. This is structured so as to provide the College with an initial capital sum and annual rental income. The College expects to agree heads of terms, subject to planning permission during 2022.

In addition, the College is in the process of selling a property in order to improve the College's financial resilience and short term cash flow position. Contracts were exchanged during the year however completion has been delayed due to a rights of light claim in relation to the proposed development.

On the 8th March 2022 the College received confirmation of settlement in relation to the right to light legal easement and the sale contract requires completion to take place within 15 days of this event. Whilst the governors are confident that completion will indeed take place within this timescale, the charity is dependent on the purchaser to proceed to completion which had not yet taken place at the date of approval of these financial statements.

If the property is not sold in the short term, the purchaser is technically in breach of contract and the charity would be entitled to receive the deposit of £165,000 currently held in escrow. However in this eventuality it is difficult to reliably predict whether the quantum and timing of receipt of other income or further borrowings will be sufficient to enable the charity to meet its liabilities as they fall due. After appropriate consideration and making enquiries the governors have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

As described in note 21 (Post balance sheet events), subsequent to the year end the College received additional loan funding from the Baptist Union Council to provide bridging finance and working capital due to the delay in the sale.

Furthermore the governors are negotiating with the Baptist Union Corporation for a loan facility of approximately £4,000,000 to enable the College to progress the proposed building development on its site and allow for the variation in timing of receipts and payments in relation to the development, including additional working capital in the event that fee income does not increase in line with expectations. Accordingly, the charitable company has continued to adopt the going concern basis in preparing its financial statements.

1.2 Student fees, grants receivable, income from student accommodation and donations

Fees are recognised in the year to which they relate. Where debts exceed 3 years a 100% provision is made.

1.3 Legacies

Legacies are normally accounted for when received, and adjusted for legacies notified during the year but received after the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST July 2021 (continued)**

1.4 Fixed assets and depreciation

The company owns the land and buildings of the college site at Spurgeon's College, South Norwood Hill, London SE25 6DJ.

In the past, the charity has taken the advantage of the option to use the value of land and buildings at the date of transition to FRS 102 (1st September 2014) as deemed cost and no depreciation was charged in respect of freehold land and buildings.

During the year, the trustees have chosen to change the accounting policy to hold land and buildings at fair value. The trustees believe that this gives a more reliable reflection of the company's ability to fulfil its charitable objects. The land and buildings have been revalued as per a report prepared by Gerald Eve reflect the existing education buildings in their current condition. This gave a value for the existing buildings of £7,500,000.

Properties are maintained in a good state of repair prolonging their useful life and enhancing their residual value. The directors consider the useful economic life of the property to be in excess of 50 years, and that it did not diminish during the period under review. Consequently, no charge for depreciation is made.

The Trustees carry out an annual review to consider the useful life and estimated residual value of the properties; this includes reviewing for any impairment.

Tangible fixed assets costing £1,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets calculated to write off the cost on a straight line basis over their expected useful economic life as follows:-

Furniture and office equipment over 5 years, computer equipment over 3 years
Heating Plant over 10 years and building improvements over 20 years

1.5 Investments

Investments are stated in the financial statements at market value.

The historical cost is set out in Note 9.

1.6 Funds

Certain items of income and expenditure which relate to such funds created for specific purposes are taken directly to the appropriate restricted and endowment funds.

1.7 Taxation

The College is a registered charity under the Charities Act 2011 & has been recognised by Her Majesty's Revenue and Customs. Therefore no liability to corporation taxation arises on its charitable activities.

1.8 Expenditure

Expenditure is accounted for on an accruals basis. All charitable expenditure in furtherance of the charity's objectives relate to the provision of educational services. Costs of raising funds includes cost directly attributable for the provision of the charitable objectives.

1.9 Operating Lease Policy

Rentals payable under operating leases are charged on a straight line basis to the statement of financial activities over the term of the lease.

1.10 Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the governors to have the most significant effect on amounts recognised in the financial statements.

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

See note 8 for the carrying amount of the property, plant and equipment and note 1 above for the useful economic lives for each class of asset.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

				12 months 2021	11 months 2020
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	As restated £
2a DONATIONS AND LEGACIES					
Donations and grants received	98,080	101,461	-	199,541	337,229
Legacies received	574,521	-	-	574,521	83,938
	672,601	101,461	-	774,062	421,167
2b INCOME FROM CHARITABLE ACTIVITIES					
Student fees and maintenance	993,043	-	-	993,043	881,445
Discounts and unrecovered charges	(50,505)	-	-	(50,505)	(50,388)
	942,538	-	-	942,538	831,057
Accommodation charges	-	-	-	-	33,585
Rent from properties	29,763	1,632	-	31,395	25,851
	29,763	1,632	-	31,395	59,436
	972,301	1,632	-	973,933	890,493
3 INVESTMENT INCOME					
Dividends and interest on investments	2,510	11,662	-	14,172	13,004
Bank interest	2,390	-	-	2,390	4,687
	4,900	11,662	-	16,562	17,691
3a OTHER					
Sundry income	72,783	-	-	72,783	53,708
Grants and support income	32,473	3,809	-	36,282	22,902
	105,256	3,809	-	109,065	76,610
Sundry income includes government support in relation to furloughed staff in roles identified as being unable to support the continued learning of students or not linked to an essential business support service following the impact of COVID19, under the government's Coronavirus Job Retention Scheme in 2020/21.					
4 COSTS OF RAISING FUNDS					
Publicity and Fundraising expenses	10,627	5,834	-	16,461	20,954
Investment Management Charges					
General Fund	1,294	-	-	1,294	3,079
General Bursary Fund	-	-	1,826	1,826	-
Pringle Fund	-	-	733	733	723
Vectis Fund	-	-	2,748	2,748	2,710
Copley Fund	-	-	591	591	582
	11,922	5,834	5,898	23,653	28,048

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

5 STUDENT RELATED EXPENDITURE

SUMMARY OF EXPENDITURE	Unrestricted	Restricted	12 months	11 months
	Funds	Funds	2021	2020
	£	£	£	£
Tuition Costs	1,234,913	111,131	1,346,043	1,145,292
Domestic Costs	101,073	-	101,073	120,296
Establishment Costs	246,072	4,061	250,133	256,094
Administration Expenses	547,691	5,093	552,784	402,339
Governance Cost (Note 7)	17,236	-	17,236	16,488
	2,146,985	120,285	2,267,270	1,940,509

TUITION COSTS

Tutors' salaries, NI & pension contributions	729,758	21,799	751,557	667,984
Visiting tutors and examining costs	29,974	270	30,244	28,603
Travel allowances and expenses	2,966	330	3,296	11,110
Computer and network support	149,285	304	149,589	117,750
Property expenses	8,190	1,172	9,362	8,605
Student registration and validation fees	183,254	-	183,254	143,563
Miscellaneous tuition expenses	56,529	-	56,529	15,697
Library purchases	30,935	-	30,935	34,167
Depreciation of computer equipment	5,110	-	5,110	3,561
Student support and other disbursements	10,000	87,256	97,256	88,621
Sundry expenses	28,912	-	28,912	25,631
	1,234,913	111,131	1,346,043	1,145,292

DOMESTIC COSTS

Contract Catering	26,828	-	26,828	88,708
Domestic expenses	73,803	-	73,803	31,183
Depreciation of equipment	442	-	442	405
	101,073	-	101,073	120,296

ESTABLISHMENT COSTS

Light and heat	44,061	-	44,061	51,603
Rates and insurance	27,297	-	27,297	24,905
Repairs and maintenance	26,164	-	26,164	22,134
Repairs - Nurseries House	1,656	-	1,656	660
Salaries, NI and pension contributions	126,894	4,061	130,954	136,707
Depreciation	20,000	-	20,000	20,085
	246,072	4,061	250,133	256,094

ADMINISTRATION EXPENSES

Salaries, NI & pension contributions	321,473	3,134	324,607	252,672
Printing postage and stationery	25,619	-	25,619	32,026
Telephones	5,596	-	5,596	5,997
Travel, Training and entertaining	6	-	6	1,262
Finance expenses	117,676	-	117,676	63,691
Professional fees	70,571	-	70,571	37,605
Sundry expenses	5,485	1,959	7,444	8,409
Equipment	1,265	-	1,265	677
	547,691	5,093	552,784	402,339

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**
6 ACCESS AND PARTICIPATION

	2021	
	Actuals £	Per Plan £
Access Investment	11,430	11,430
Financial Support	45,619	59,000
Support for disabled students	0	0
Research and Evaluation	9,953	9,953
	<u>67,002</u>	<u>80,383</u>

7 GOVERNANCE COSTS

General Fund		12 months 2021 £	11 months 2020 £
Auditors' remuneration	Annual audit	15,540	9,000
	Prior year adjustment	1,666	6,250
		<u>17,206</u>	<u>15,250</u>
Governors' expenses reimbursed		30	1,238
		<u>17,236</u>	<u>16,488</u>

8 TANGIBLE FIXED ASSETS

For use by Charity	Properties £	Building improvements £	Equipment £	Assets Under Construction £	TOTAL £
Cost & Valuation					
At 1 st Aug 2020, as previously stated	1,298,000	241,016	269,046	663,610	2,471,672
Prior Year Adjustments (note 21)	-	(41,200)	-	16,727	(24,473)
At 1 st Aug 2020, as restated	1,298,000	199,816	269,046	680,337	2,447,199
Revaluation	7,500,000	-	-	-	7,500,000
Additions	550,000	-	12,514	279,982	842,496
At 31 st July 2021	9,348,000	199,816	281,560	960,319	10,789,695
Depreciation					
At 1 st Aug 2020, as previously stated	-	125,727	250,225	-	375,952
Prior Year Adjustment (note 21)	-	(20,428)	-	-	(20,428)
At 1 st Aug 2020, as restated	-	105,299	250,225	0	355,524
Charge for the period	-	17,322	8,230	-	25,552
At 31 st July 2021	-	122,621	258,455	-	381,076
Net Book Value					
At 1 st Aug 2020, as previously stated	1,298,000	115,289	18,821	663,610	2,095,720
Prior Year Adjustment (note 21)	0	(20,772)	-	16,727	(4,045)
At 1 st Aug 2020, as restated	1,298,000	94,517	18,821	680,337	2,091,675
At 31 st July 2021	9,348,000	77,195	23,105	960,319	10,408,619

The freehold land and buildings now known as Spurgeon's College were transferred to the College as part of the transfer of the trusteeship of the Falkland Park Trust in 2003. The Governors had previously excluded the value of the land and buildings from the accounts. All fixed assets are held for direct charitable use. The property and land at Spurgeon's College, South Norwood Hill, London SE25 6DJ has been revalued by Gerald Eve to £7,500,000 on the basis of Existing Use Value originally as at 30th October 2020 and with an Addendum dated 22nd February 2022 as a D1 property in the wider London market, as per RICS valuation standards in a report dated 22nd February 2022.

Certain other properties owned by the College were transferred from the unincorporated Spurgeon's College in 2003. These properties together with 191 South Norwood Hill, were professionally valued at £2,085,500 as at 1st September 2014 by Matthew Waddams MRICS, Chartered Surveyor, and Kinleigh Folkard & Hayward on a fair value basis. The charity has taken advantage of the transition arrangements in FRS 102 to treat this value as deemed cost. In 2018, 22 Whitworth Road was sold, reducing the carrying value of residential property assets by £787,500 to £1,298,000.

In addition The College received of a legacy receipt of a residential property with an estimated values of £550K. The net book value at 31st July 2021 represents fixed assets used for charitable purposes.

Assets under construction represent costs incurred in the development of the College campus that will be used for a mixture of Charitable and Non-Charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

9 INVESTMENTS

a) Fixed interest and equity-based Investments

	General Fund £	General Bursary Fund £	Pringle Fund £	Vectis Fund £	Copley Fund £	Cudlip Fund £	Total £
At Valuation							
At 1 st August 2020	88,307	113,143	45,427	170,248	36,590	22,697	476,412
Purchases	16,053	23,096	9,273	34,753	7,469	-	90,644
Disposals	(15,109)	(21,739)	(8,728)	(32,710)	(7,030)	-	(85,316)
Gains	14,395	17,423	6,996	26,218	5,635	5,365	76,032
At 31 st July 2021	103,646	131,923	52,968	198,509	42,664	28,062	557,772
Represented by –							
Fixed interest securities	14,817	21,318	8,559	32,078	6,894	-	83,666
Equities	19,086	27,460	11,025	41,319	8,880	-	107,770
Investment & unit trusts	69,740	83,148	33,383	125,113	26,890	28,062	366,336
Value of Investments at Market Value	103,643	131,926	52,967	198,510	42,664	28,062	557,772
Securities at Historical Cost							
At 1st August 2020	79,480	98,736	39,641	148,568	31,930	28,628	426,983
At 31st July 2021	83,984	105,218	42,244	158,322	34,026	28,628	452,422

All these investments are listed on a recognised Stock Exchange or are ones valued by reference to such investments, such as unit trusts and common investment funds.

10 DEBTORS

	2021 £	2020 £
Amounts falling due within one year	200,287	191,026
Trade debtors	27,423	21,346
Gift Aid receivable	127,945	53,446
Prepayments	5,177	2,000
Sundry debtors		
	<u>360,832</u>	<u>267,818</u>

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

11 CREDITORS

	2021	2020
	£	£
a. Amounts falling due within one year		
Loans	546,060	20,919
Other Creditors & Accruals	258,859	189,520
Taxation and Social Security	21,758	20,447
Fees received in advance	65,524	74,072
	<u>892,201</u>	<u>304,958</u>
b. Amounts falling due after one year		
Loan	<u>2,256,050</u>	<u>2,299,101</u>

There are two interest-bearing loans: the first is for 15 years, repayable monthly, with interest charged at 300 basis points over the Bank of England base rate and secured by way of fixed charge on 191 South Norwood Hill, the remaining term is 12 years; and the second is interest only for 5 years with interest charged at 500 basis points over the Bank of England base rate and secured by way of fixed charge on the College's site, 189 South Norwood Hill, the remaining term is 3 years. See note 18 for additional information in relation to these loans.

12 TRANSFERS BETWEEN FUNDS

Transfer from Restricted Funds to General Fund

The Cudlip Income Fund balance at 1st August 2020 of £773 has been transferred to the General Fund following a review of the terms of the Cudlip Legacy (Endowment). This review identified that there was no restriction on the use of the income from the endowment.

Transfers from Endowment Funds to General Fund

£18,243 of the cash balances held at Rathbones, investment broker, were reallocated on 1 August 2020 from endowment funds to the General Fund when a review identified that the endowment fund balances had historically included part of the income cash accounts, whereas the endowment funds only have a share in the capital cash accounts at the broker.

13 RESTRICTED FUNDS

	Fund Balance	Income	Expenditure	Fund Balance
	1st August			31st July
	2020			2021
	£	£	£	£
Frank Fitzsimmonds Bursary Fund	21,000	-	(5,600)	15,400
Baptist Union Bursary Fund	32,288	47,200	(48,465)	31,023
General Bursary - Income	9,978	3,611	-	13,589
Pringle Bursary - Income	10,896	1,749	(4,898)	7,747
Vectis Fund - Income	19,472	5,434	(5,991)	18,915
Copley Fund - Income	7,739	1,168	(5,000)	3,907
Lamplighters Bursary	18,137	4,740	(7,960)	14,917
Conference Communion	174	-	-	174
Nott Fund	412,013	1,632	(1,173)	412,472
Restricted Gifts	16,250	140	(4,163)	12,227
Oversea Student	600	-	-	600
Learning Support	1,570	360	(1,836)	94
Pioneer Project	6,829	40,000	(26,085)	20,744
Principal's fund	2,388	4,590	(5,919)	1,059
Student Rep	2,305	-	(188)	2,117
EBA Hardship fund	2,600	-	(2,000)	600
Theology of Law Course	500	2,881	(1,782)	1,599
The Rev Dr Curdell McLeod Bursary	-	1,250	(1,250)	-
OfS Hardship Funding	-	3,809	(3,809)	-
	<u>564,739</u>	<u>118,564</u>	<u>(126,119)</u>	<u>557,184</u>
Cudlip Income, transferred to General Fund	773			
	<u>565,512</u>			

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE TEAR ENDED 31st JULY (continued)**

Movements in comparative period (11 months)

	Fund Balance 1st September 2019 £	Income £	Expenditure £	Fund Balance 31 st July 2020 £
Frank Fitzsimmonds Bursary Fund	28,200	-	(7,200)	21,000
Baptist Union Bursary (restated, Note 21)	26,125	76,384	(70,221)	32,288
General Bursary - Income	6,664	3,314	-	9,978
Pringle Bursary - Income	9,291	1,605	-	10,896
Vectis Fund - Income	16,486	4,986	(2,000)	19,472
Copley Fund - Income	6,667	1,072	-	7,739
Lamplighters Bursary	348	22,690	(4,901)	18,137
Conference Communion	174	-	-	174
Nott Fund	414,966	1,496	(4,449)	412,013
Restricted Gifts	21,733	3,420	(8,903)	16,250
Oversea Student	600	-	-	600
Learning Support	4,946	1,030	(4,406)	1,570
Pioneer Project	31,146	-	(24,317)	6,829
Principal's fund	800	4,229	(2,641)	2,388
Student Rep	2,286	67	(48)	2,305
Birmingham Fund	4,673	-	(4,673)	-
Cudlip Income	773	-	-	773
EBA Hardship fund		5,000	(2,400)	2,600
Theology of Law Course		500	-	500
	575,878	125,793	(136,159)	565,512
	575,878	125,793	(136,159)	565,512

Frank Fitzsimmonds Bursary Fund - A bequest given to assist deserving undergraduate students with their course fees whilst in full time training at Spurgeon's College for the Baptist Ministry.

Baptist Union Bursary Fund - This fund is from "Baptists Together" and is to help Baptist Union Ministers in Training with their fees and/or living costs.

Income Funds (General Bursary, Pringle Bursary, Vectis Fund, Copley Fund) - Income derived from the investments held in these Funds (see note 14) is applied to provide assistance with students' fees and charges, or in the case of the Cudlip Legacy, for general College purposes.

Lamplighters Fund - To receive donations from 'Lamplighters' and others who wish to provide direct assistance to students who are unable to pay full fees.

Conference Communion Fund - A pastoral fund, administered by the Principal, established by past and present students of the College for the benefit of colleagues experiencing personal financial difficulties.

Nott Fund - In 1976 Miss Dorothy Nott made a bequest to the College of the residue of her estate for the purpose of helping retired ministers and missionaries who were former students of the College. A property in Beckenham, 7 Glanfield Road, valued at £386,000, is held for the benefit of retired members of the College.

Restricted Gift Fund - This includes gifts towards specific projects.

Oversea Student - This fund was established to provide assistance to overseas students.

Learning Support - A fund established to assist students with additional support needs in their studies.

Pioneer Fund - Grant received from BU Newington Court for the writing of a pioneer pathway for ministerial training.

Principal's Fund - This includes gifts specifically for use at the Principal's discretion.

Student Rep - A fund established to be used by the student representatives.

EBA Hardship fund - This fund is for Baptist Union Ministers in Training on placement in the Eastern Baptist Association.

Theology of Law Course - This fund is to help with the fees of students studying on the theology of law unit.

The Rev Dr Curdell McLeod Bursary - This bursary is given to students of Caribbean heritage who are training for ministry.

OfS Hardship Funding - This fund was received from the Office for Students to help students who were struggling financially.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

14 ENDOWMENT FUNDS

	Fund Balance 1st August 2020	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains	Fund Balance 31st July 2021
	£	£	£	£	£
General Bursary	133,866	(15,131)	(1,826)	17,423	134,332
Pringle Bursary	52,716	(5,045)	(733)	6,996	53,934
Vectis Fund	176,819	1,843	(2,748)	26,218	202,132
Copley Fund	38,308	90	(591)	5,635	43,442
Cudlip Legacy	22,697	-	-	5,365	28,062
	<u>424,406</u>	<u>(18,243)</u>	<u>(5,898)</u>	<u>61,637</u>	<u>461,902</u>

Movements in comparative period (11 months)

	Fund Balance 1st September 2019	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2020
	£	£	£	£	£
General Bursary	147,189	-	(1,801)	(11,522)	133,866
Pringle Bursary	56,065	-	(723)	(4,626)	50,716
Vectis Fund	196,866	-	(2,711)	(17,337)	176,818
Copley Fund	42,617	-	(582)	(3,726)	38,309
Cudlip Legacy	29,897	-	-	(5,200)	24,697
	<u>472,634</u>	<u>-</u>	<u>(5,817)</u>	<u>(42,411)</u>	<u>424,406</u>

The income earned on the first four of these endowments is recorded in the related restricted funds (see note 13). The income on the Cudlip legacy is credited to the General Fund, which is a correction of the previous accounting, as stated in note 12 on transfers between funds.

General Bursary Fund - Income derived from the investments held in this Fund is applied to provide assistance with students' fees and charges.

Pringle Bursary - This fund is an endowment established in memory of David Pringle to provide assistance with fees and charges for a pastoral studies student not otherwise receiving any financial assistance from public funds. Preference is to be given to a student normally resident in the area of the former Lancashire & Cheshire Baptist Association (now the North Western Baptist Association).

The Vectis Fund - This fund is an endowment established in 2003 and added to in 2011 to provide assistance to either:-

- (1) students from the Isle of Wight, Hampshire or Dorset who :-
 - have the insight and ability to develop a strong pastoral role, or
 - are preparing for overseas mission, or
 - are studying on the evangelists' course; or

- (2) exceptional students from overseas who intend to return to their own country.

The Copley Fund - This fund was set up in 2003 by a bequest under the will of Edith Copley in memory of her parents John and Sarah Ann Copley. The object of the bequest was to provide assistance to any persons, with preference given to those from Yorkshire, who wish to study at Spurgeon's College with a view to entering the Baptist ministry, whom the governing body considers would be unable to do so without such assistance.

The Cudlip Legacy - A bequest from the estate of Miss Edith Mary Cudlip who died in March 2008. Under the terms of her will Miss Cudlip left the College a one thirteenth share of the residual estate with the proviso that the amount realised should be invested and the interest received should be used as a donation.

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General £	Restricted £	Endowment £	Total 2021 £
Tangible fixed assets	10,022,619	386,000	-	10,408,619
Investments	103,646	-	454,126	557,772
Cash at bank and in hand	29,994	171,184	7,776	208,954
Other net Current Assets	296,270	-	-	296,270
Long term creditor	(2,256,050)	-	-	(2,256,050)
Provisions for liabilities	(79,475)	-	-	(79,475)
	<u>8,117,004</u>	<u>557,184</u>	<u>461,902</u>	<u>9,136,090</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES	12 months	11 months
	2021	2020
	£	£
Salaries	1,059,148	898,758
National Insurance costs	93,144	86,746
Pension costs		
Scottish Life - 13 (17) members	36,595	36,764
Baptist Pension Scheme - 18 (13) members	49,050	35,096
	1,237,937	1,057,364

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was 34 (2020: 41) . The Average head count was 56 (2020: 47) . No employee received remuneration of more than £60,000 in the current or prior year.

The salary, employer's national insurance and pension contributions paid during the year in respect of the College Principal (who is also a Governor of the college), in respect of his teaching and administrative duties, as authorised by the Articles of Association, amounted to £46,395 (2020: £46,669) .

The cost of employment of key management staff which includes Salary, National Insurance and Pension Contributions amounted to £145,714 (2020: £130,055) . The key management staff include Vice Principal (Academic Director), Vice Principal (Director of Ministerial Formation) and the Chief Operating Officer.

During the year to 31st July 2021, the College made pension contributions in respect of 13 members of staff (2020: 17) into a defined contribution pension scheme where the assets are held separately from those of the Charity in independently administered funds.

The College also participates, on behalf of another 18 (2020: 13) members of staff, as an employer in the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers and members of the staff are eligible to join the Scheme.

Since January 2012, pension provision has been made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

Benefits in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31st December 2011.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

Actuarial Valuation as at 31st December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the Defined Contribution Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1st July 2020 to 31st December 2020.

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31st December 2020. The current Recovery Plan dated 30th September 2020 envisages deficiency contributions continuing until 30th June 2026.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2021	2020
	£	£
Balance sheet liability at the start of the year	85,962	98,813
Minus deficiency contributions paid	(11,875)	(12,851)
Plus increase in provision for changed assumptions and contribution rates	5,388	-
Balance sheet liability at the end of the period	<u>79,475</u>	<u>85,962</u>

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
Pre-retirement	2.95
Post-retirement	1.70
Deferred pension increases	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	2.70

The next actuarial valuation of the DB Plan within the scheme is due to take place not later than 31st December 2022.

17 GOVERNORS' REMUNERATION AND LOANS

Governors are not paid for their services as governors (except as regards the College Principal – see note 16 on the previous page). Reimbursements of £30 (2020: £1,238) were paid to four governors for directly incurred travel and other expenses. None of the governors had any loans.

18 RELATED PARTY TRANSACTIONS

The College Principal is also a Baptist Union trustee. The College has a £350,000 15yr repayment and £2,000,000 5 yr interest only loan with the Baptist Union Corporation. The 15yr and 5yr loans are secured by way of fixed charge over the College's property 191 South Norwood Hill and 189 South Norwood Hill and interest is charged at the Bank of England Base Rate plus 300 and 500 basis points, respectively. The total amount outstanding as at 31st July 2021 were £300,059 (2020: £320,996) and £1,977,051 (2020: £1,999,023). The College also received Baptist Union grant money for the year totalling £76,384 (2020: £32,687).

During the year the charity obtained loans totalling £200,000 from 2 members of staff, deemed to be key management personnel of the charity.

No interest is charged on these amounts and they are repayable on the sale of Raleigh Park Baptist Church, Arodene Road, London, SW2 2BH or if the college becomes insolvent.

See note 22 (Post balance sheet events) for further information relating to additional loans made after the year end.

19 STATUS OF THE COMPANY

The company is limited by guarantee. The number of members of the Council at the year end was 36 (2020: 36). In the event of a winding-up of the company, the maximum liability of each Council member is £10.

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

20 COMMITMENTS UNDER OPERATING LEASES

At 31st July 2021 the college was committed to making the following payments for operating leases:

Within:	2021 £	2020 £
Less than One Year	15,834	22,121
In two to five years	10,040	28,350
Greater than five years	<u>22</u>	<u>-</u>
	<u><u>25,896</u></u>	<u><u>50,471</u></u>

21 PRIOR YEAR ADJUSTMENTS

A review of the opening balances for the year, and comparison of current year financial activity with the prior year's reported activity, has identified a number of areas requiring adjustment:

1) Fixed Assets Building Improvements included the cost in 2010/11 of replacement roof and windows for a property at 22 Whitworth Road. This cost was being depreciated over 20 years, but was not written off when the property was sold in 2018. The net book value at 31 August 2019 and 31 July 2020 and the depreciation charge for the year 2019/20 need to be removed.

2) Gift Aid tax reclaims have not been submitted in recent years and the amounts receivable have not been calculated and accrued until this year. A prior year adjustment is required for the income due for the year 2019/20 and the balance of claims due since 2017/18.

3) Until this year, funds received from the Baptist Union to be allocated by the College as bursaries to Ministerial students have been held in a creditor account before allocation, but they are now accounted for as a restricted fund. Income and expenditure was not therefore recognised in prior years, requiring adjustment now.

Therefore prior year adjustments have been made to the Statement of Financial Activities and the Balance Sheet. Details of the adjustments are given below:

Statement of financial activities	2021 £	2020 £
Balance of Funds at 1st September 2019 as previously stated		2,573,995
Remove net book value of building improvements (1)		(22,660)
Accrue Gift Aid income up to 31 August 2019 (2)		15,128
Reallocate creditor to a restricted fund for bursaries (3)		<u>26,125</u>
Balance of Funds at 1st September 2019 as restated		<u><u>2,592,588</u></u>
Total income from donations and legacies for the period to 31st July 2020 as previously stated		338,565
Accrue Gift Aid income for the period to 31 July 2020 (2)		6,218
Recognise donation income to a restricted fund for bursaries (3)		<u>76,384</u>
Total income from donations and legacies for the period to 31st July 2020 as restated		<u><u>421,167</u></u>
Total expenditure on charitable activities for the period to 31st July 2020 as previously stated		1,888,903
Capitalise property development costs as fixed asset (3)		(16,727)
Remove depreciation of building improvements (1)		(1,888)
Recognise bursary expense from a restricted fund for bursaries (3)		<u>70,221</u>
Total expenditure on charitable activities for the period to 31st July 2020 as restated		<u><u>1,940,509</u></u>
Net movement in funds at 31st July 2020 as previously stated		(646,225)
Capitalise property development costs as fixed asset (3)		16,727
Remove depreciation of building improvements (1)		1,888
Accrue Gift Aid income for the period to 31 July 2020 (2)		6,218
Recognise net movement on restricted fund for bursaries (3)		<u>6,163</u>
Net movement in funds at 31st July 2020 as restated		<u><u>(615,229)</u></u>
Balance of Funds at 1st August 2020 as previously stated	1,927,770	
Capitalise property development costs as fixed asset (3)	16,727	
Remove net book value of building improvements (1)	(20,772)	
Accrue Gift Aid income up to 31 July 2020 (52)	21,346	
Reallocate creditor to a restricted fund for bursaries (3)	<u>32,288</u>	
Balance of Funds at 1st August 2020 as restated	<u><u>1,977,359</u></u>	

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021 (continued)

Balance Sheet

Tangible Fixed Assets as previously stated	2,095,720
Capitalise property development costs as fixed assets (3)	16,727
Remove net book value of building improvements (1)	(20,772)
Tangible Fixed Assets as restated	<u>2,091,675</u>
Investments as previously stated	476,412
	<u>476,412</u>
Current Asset, Debtors & Prepayments, as previously stated	246,472
Accrue Gift Aid income up to 31 July 2020 (2)	21,346
Current Asset, Debtors & Prepayments, as restated	<u>267,818</u>
Creditors & Accruals as previously stated	263,174
Reallocate creditor balance to a restricted fund (3)	(32,288)
Creditors & Accruals as restated	<u>230,886</u>

22 POST BALANCE SHEET EVENTS

The College is in the process of selling a property being Raleigh Park Baptist Church, Arodene Road, London, SW2 2BH in order to improve the College's short term cash flow position. This is shown on the balance sheet as a current asset under property to be sold with expected proceeds of £1,650,000.

Based upon post year end discussions and recent correspondence finalising administrative elements, including the purchaser passing a resolution in relation to a right to light legal easement, which has now been signed on the 8th March 2022 the charity and senior management are confident of selling the property imminently.

The sale contract then states completion of sale is within 15 days, however up to the date of signing these financial statements completion has not occurred.

In December 2021 Baptist Union Corporation granted a loan of £400,000 to the College as a closed bridging loan secured against Raleigh Park Baptist Church. In February 2022 the Baptist Union Corporation replaced that loan with a £1,000,000 closed bridging loan secured against Raleigh Park Baptist church, which is repayable when the sale is completed at a current variable interest rate of 7% plus bank standard rate.

In March 2021 Baptist Union Corporation granted a further loan of £325,000 to the College as a closed bridging loan secured against 76 South Norwood Drive, London, SE25 6AQ at a current variable interest rate of 7% plus bank standard rate. At the date of signing these financial statements, this has not been countersigned by the College.

Additional personal loans totalling £107,000 were given to the charity by governors on 30th September 2021 and 19th November 2021.

No interest is charged on these amounts and they are repayable on the sale of Raleigh Park Baptist Church, Arodene Road, London, SW2 2BH or if the college becomes insolvent.

SPURGEONS COLLEGE

England & Wales - Charity number 1096721

Accounts



REPORT OF THE GOVERNORS
and
FINANCIAL STATEMENTS
FOR THE PERIOD TO
31st July 2020

Company number: 04418151

Charity registration number: 1096721

Registered office:
189 South Norwood Hill, London SE25 6DJ

Website: www.spurgeons.ac.uk

SPURGEON'S COLLEGE

Registered charity no. 1096721

**Incorporating trust property held in connection with Spurgeon's
College registered charity no. 312888 and Falkland Park Trust
registered charity no. 1096721-1**

REPORT OF THE GOVERNORS

and

FINANCIAL STATEMENTS

FOR THE PERIOD TO

31st JULY 2020

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SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO
31ST JULY 2020

REFERENCE AND ADMINISTRATIVE DETAILS

Spurgeon's College is a company limited by guarantee registered in England and is also a charity registered with the Charity Commission. The governors are both the directors of the company and trustees of the charity.

Company registration number 04418151

Charity registration number 1096721

Registered office Spurgeon's College
189 South Norwood Hill
London SE25 6DJ

Governors Prof Sally Bradley (to 1st March 2020)
Rev'd Stuart Davison (*Vice-Chair*)
Prof Sir Leslie Ebdon
Rev'd Jonathan Edwards
Mrs Joanne Gale
Rev'd David Kerrigan (*Treasurer*)
Mrs Charlotte Kirby-Thomson (from 22nd July 2020)
Mrs Sarah King (*Chair*)
Rev'd Prof Philip McCormack (*Principal*)
Ms Charmaine Mhlanga (*Student governor* from 14th
January 2021)
Mr David Locke (from 14th January 2021)
Mr Neil Sherringham
Pastor Michael White
Mr Edward Woods (to 18th June 2020)
Ms Genelle Aldred (from 14th January 2021)

Senior staff Rev'd Prof Philip McCormack (*Principal*)
Rev'd Helen Stokley (*Chief Operating Officer*)
Rev'd Dr Stephen Wright, (*Vice Principal – Academic
Director*)
Rev'd Simon Jones (*Vice Principal – Director of
Training & Ministerial Formation*)

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO
31ST JULY 2020

Principal advisers

Solicitors

Morrison's
Clarendon House
Clarendon Road
Redhill
RH1 1FB

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Bankers

NatWest Bank
Addiscombe Branch
209 Lower Addiscombe Road
Croydon
Surrey
CR0 6RB

Auditors

Mazars LLP
2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton Surrey
SM1 4FS

Investment Managers

Rathbones
159 New Bond Street
London
W1S 2UD

Independent Financial Advisers

AW Financial Management LLP
River House
1 Maidstone Road
Sidcup
Kent
DA14 5RH

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO
31ST JULY 2020

GOVERNORS' ANNUAL REPORT

The governors have pleasure in presenting their report and the financial statements of Spurgeon's College for the period ended 31st July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

It is to be noted that the College shortened its year end to 31st July 2020 in order to bring it in line with university and OfS standards, resulting in an 11 months period.

The financial statements comply with the Companies Act 2006, the Charities Act 2011, the Memorandum and Articles of Association, and follow the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102).

Structure, governance and management

Governing document

Spurgeon's College is governed by its Articles of Association as adopted by Council on 18th June 2020.

The members of the charity are the members of the Council. In the event of the College winding up, each member of the Council undertakes to contribute an amount not exceeding £10. Upon the winding up or dissolution of the College, all remaining assets shall be given or transferred to another charity having the same or similar objects to the College in accordance with charity law.

The College occupies land and buildings in South Norwood, London. These, including a residential property, are owned by the Falkland Park Trust (Charity No: 1096721-1, previously Charity No: 1017769). Under a Charity Commission Scheme dated 13th February 2003, the company (Spurgeon's College) became sole Corporate Trustee of the Falkland Park Trust.

On 29th April 2019 Spurgeon's College Development Limited was incorporated as a wholly owned subsidiary of Spurgeon's College. The company has been dormant since incorporation and will be used for future College development projects.

Validation and regulation

Spurgeon's College is an approved partner of the University of Manchester, Liverpool Hope University (from January 2021), and the Institute of Pastoral Counselling, and is an approved teaching centre for the Counselling and Psychotherapy Central Awarding Body. The College remains a collaborative centre of the University of Wales on teach-out, and has validation links with the University of Chester for some postgraduate degrees, which are also on teach-out.

Spurgeon's College and the University of Manchester have an exit arrangement from their validation arrangement. This exit arrangement will cover existing students on University of Manchester validated programmes through to completion ('run out') and includes students entering on a University of Manchester validated programme in the academic year up to and

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

including 2021/22. In September 2020, the College made a formal application to the Office for Students for Taught Degree Awarding Powers. If successful in its application, students will enter on a Spurgeon's College's validated degree in the academic year 2022/23. From January 2021, the College offers two new Masters degrees validated by Liverpool Hope University.

Spurgeon's College is regulated by the Office for Students (OfS), the Quality Assurance Agency (QAA), which reviews and assures Higher Education standards, and subscribes to the Higher Education Statistics Agency (HESA), which collects, processes and publishes data about higher education in the UK, and the Office of the Independent Adjudicator (OIA), the independent body set up to review student complaints.

The College is also a member college of the Baptist Union of Great Britain, and a member of the Evangelical Alliance and the Micah Network.

Organisational structure and decision making

The management of the College is vested in the Board of Governors. The governors are directors of the company limited by guarantee and trustees of the charity. The Board meets on at least four occasions each year and is responsible for delivery of the College's charitable objects, setting the strategic direction and upholding the values of the College.

The Council is the body to whom the governors are accountable. The Council also provides advice, acts in advocacy for the College and appoints the governors. The Council comprises:

- up to twelve members appointed by the current members of the College Conference (former students);
- for each of the London, Eastern and South Eastern Baptist Associations, up to four members, including one Regional Minister and up to three Lay Members who are interested in furthering the work of the College, appointed by the directors of the Associations;
- up to three representatives of the Particular Baptist Fund appointed by the Managers of the Fund;
- the governors;
- the Chief Operating Officer and the Vice-Principals;
- up to six members of College staff including three tutorial staff and three other members of staff;
- one representative of the Baptist Union of Great Britain appointed by its trustees;
- one representative of BMS World Mission appointed by its trustees;
- up to three representatives of the student body;
- up to three people co-opted by the Governors in liaison with ecumenical bodies in South London; and
- up to four other people co-opted by the Governors.

The Board of Governors is assisted in its work by a number of advisory committees formed of governors, Council members, College supporters and members of staff. The Board sets

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

the terms of reference for each committee, which are reviewed regularly, and appoints committee members with relevant expertise and experience. The advisory committees meet as and when required, provide minutes of each meeting to the governors, and also report on their activities to the annual general meeting of the Council.

The advisory committees are as follows:

- Buildings Group – provides advice and assistance on all matters concerning the College properties.
- Marketing, PR and Income Generation Group – provides advice and assistance on all matters concerning income generation, including recruitment, and promotion of College activities.
- Diversity and Equal Opportunities Monitoring Group - advises on matters relating to equality issues and ensures compliance with the law and best practice.
- Finance Committee - provides advice and assistance on all matters concerning the College finances
- Audit & Risk Committee –provides advice and assistance on all matters concerning risk management and audit.
- Governance Group – provides advice and assistance on all matters concerning governance.
- Nominations Group - provides advice on the selection of new governors.
- Academic Board – oversees the courses, standards and outcomes of the courses offered throughout the College.

The Academic Board is the body entrusted by the governors with overseeing the educational work of the College. The members during the period to 31st July 2020 were as follows:

- Rev'd Prof Philip McCormack, Principal* (Chair)
- Katie Walsh* (Senior Registrar), Rev'd Dr Stephen Wright* (Academic Director), Rev'd Seidel Abel Boanerges *, Rev'd Dotha Blackwood*, Mr Rob Bradshaw (from 1st January 2020), Dr Thomas Breimaier, Rev'd Dr Pieter Lalleman, Rev'd Simon Jones*, Dr Debra Reid*, Dr Zoltan Schwab, * Dr Joshua Searle*, Rev'd Martin Stokley*
- Representing the associate and online tutors: Rev'd Robert May*
- Representing the College of Preachers: Rev'd Dominic Robinson
- Counselling course leader: Mrs Patricia McIlroy*
- Representing the Governors: Prof Sally Bradley (to 1st March 2020)
- Representing the Council and also the wider academic life: Christine Dunmow
- Representing wider academic life: Prof. James Carpenter; Prof. Philip Davis; Dr Andrew Jones; Prof. Geoffrey Cook; Prof. Jerry Forrester; Dr Trevor Stammers and Prof. Andrew Thomason.
- Three representatives of undergraduate students (from different pathways) and up to three representatives of postgraduate students (from different pathways)

*Denotes members of staff who are remunerated for their service relating to the teaching and administrative activities of the College rather than in their role as members of the Academic Board.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

The Board delegates the management of all operational, financial and academic matters to the Principal who in turn delegates relevant activities to the senior management of the College, the Heads of Departments: the Chief Operating Officer; the Academic Director; and the Director of Ministry Formation and Training.

The Heads of Departments are invited to attend each Board meeting and are required to provide a report detailing the activities of their departments to inform Governors of their oversight of each department.

Governor recruitment and appointment

The Board of Governors comprises not less than nine and not more than 13 members. The quorum for the transaction of the business is the greater of one third of the governors or three.

At every annual general meeting one-third, or the number nearest to (but not greater than) one third, of the governors (other than the Principal (ex-officio) and Student Governor (appointed by the governors)) retire from office, but are eligible for re-appointment by the Council members. Governors, other than the Principal and Student Governor, are normally appointed for a term of three years. They serve for no more than nine years, unless the governors exceptionally resolve to permit a further term for no more than one governor at a time. The Student Governor is appointed for a term of one year renewable for further periods of one year up to a maximum of four years.

The Board of Governors has the power to co-opt new governors but those co-opted have to stand for election at the following annual general meeting. Co-options are made on the recommendation of the Nominations Group whose members review the skills matrix of the Board and role descriptions, and identify suitable candidates for appointment to the Board. Candidates are recruited from direct approaches, recommendations and referrals, and by advertising, as appropriate. The Board endeavours to reflect the diversity of the student body in its own composition, ensuring there is diversity of gender, age, ethnicity and denominational allegiance. Potential new governors meet the Nominations Group to discuss the role requirements.

Following appointment, all new governors are issued with a Governance Handbook and other appropriate documentation. Guidance is given on the roles and responsibilities of being a charity trustee and governor, and on the College's governance structure. Meetings with key College personnel are arranged.

Remuneration

The governors are committed to ensuring a balance between paying staff to attract and retain the best people for the job and careful management of charitable funds.

In determining the remuneration paid to academic staff, the governors are cognisant of the remuneration given to those working in similar roles in other theological and Bible Colleges, and to ministers in the Baptist Union. Where possible, remuneration attached to jobs in support functions is benchmarked against similar jobs in the local jobs market. Cost of living increases may be awarded annually to all staff on the basis of a recommendation from the

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

Finance Committee in the context of the annual budget setting process, following consideration of the increase in Retail and Consumer Price Indices and the College's financial position.

Objectives and activities

Objects

The College's charitable objects are to advance the Christian religion in accordance with the beliefs and practices of Baptists and the interpretation of such beliefs and practices usually called evangelical, in particular through the provision of education, training, vocational preparation and support to Christians for mission and ministry.

Our Mission

To train men and women for Christian mission, ministry and leadership in the contemporary world

Our Vision

The College draws its vision from three sources:

- a. *A confessional foundation* – established by CH Spurgeon in 1856 as the Pastors' College, Spurgeon's College is a Christ-centred, evangelical college in the Baptist tradition, engaged in biblical and theological education.
- b. *A formative ethos* – this flows from our life as a community that meets daily for worship, where preparation for Christian service is enriched by the practice of gathering daily as a community to glorify God, who is Father, Son and Holy Spirit.
- c. *A geographical location* – the College is intentionally London based, with a national focus and a global reach.

The College Vision for the next ten years is:

- To cultivate a creative learning environment allowing every student to develop spiritually, academically, emotionally and socially.
- To deliver a relevant, structured curriculum tailored to training men and women for mission, ministry and leadership for all who wish to deepen their understanding of the Scriptures and theology.
- To develop the College's position, in the global and diverse city of London, as a research-led, experience-based, centre of excellence delivering positive outcomes for students.
- To maintain the highest professional and ethical standards in every area of College life.

Our Values

As a Christian Higher Education Theological College our values are directly drawn from and aligned with biblical principles. In particular:

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

- We believe in the inherent moral equality, dignity and worth of every individual.
- We value the unique distinctiveness of each member of the College community.
- We celebrate the richness of being a diverse and inclusive community.
- We believe that as a community meeting daily for worship we must be careful to listen to God and discern his will and purpose.
- We will promote the general wellbeing of all members of the student community and College staff.
- We are committed to assisting every student in reaching their potential.

The College's Values are consistent with and build upon 'The 7 principles of public life'¹ often referred to as the 'Nolan Principles.'

Students

The College's main activity is the provision of theological education and ministerial and practical training for Christian mission and ministry.

The number of students studying at the College fell in this financial period as the College's registration with the Office for Students took place after the beginning of the academic year, disrupting the normal admissions process. This was a one-off event and should not be seen as an indication of a decline in student numbers as the 2020/21 year has seen numbers return to expected levels. It should be noted that the global coronavirus pandemic meant that the College's Birmingham and Cambridge hubs could not remain open for face to face teaching, which has impacted student numbers on our weekend and evening courses and student related income at these two locations.

In spite of the global pandemic, Spurgeon's College continues to prepare candidates for ordination to Baptist ministry within the Baptist Union of Great Britain, and train pastors and leaders from other denominations. The College also includes students who are pursuing a theological education for its own merits in its diverse learning community, and this further enriches the life and experience of all community members. Since its foundation, over 5,000 churches worldwide have been served by Spurgeon's ministers and its trained ministers are active in over 35 countries. The College has also developed post-graduate provision for continuing ministerial development training and has a thriving post-graduate research community. It offers other accessible training packages for church members seeking to serve in lay capacities and in counselling or pastoral supervision roles.

Public benefit

The governors carefully consider the Charity Commission's guidance on public benefit in determining what work is done, and the guidance informs the College's aims, plans and activities. The governors take seriously their responsibility to offer high quality academic provision that also represents value for money to students and to taxpayers.

¹ See <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life--2>

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

Those who benefit from the College's work directly are the students who study and/ or train for ministry, both ordained and lay, and also, indirectly, those who worship in and benefit from the ministry of churches in the UK and around the world which are served by students and former students.

The students benefit through:

- Enhanced knowledge and skills
- Academic and professional study and qualifications
- Broadened perspectives on faith and the world
- Deeper and stronger personal spirituality gained from living, studying and worshipping in a Christian community.

The benefit to the general public comes through:

- Leadership by properly trained and equipped ordained ministers, lay leaders and counsellors of churches which are open for public worship.
- Leadership of and involvement in Christian charitable and social action work by current and former students of the College who have been motivated, inspired and equipped by their courses at College.

The governors ensure that the courses at Spurgeon's College are designed for those who seek to further their knowledge of Christian theology or train for Christian ministry. Whilst the College is part of the Baptist Union of Great Britain, a wide variety of church traditions are represented within the student body and the content of the courses offered reflects this diversity.

The College's access and participation plan demonstrates the College's commitment to fair access and opportunity. During the period reported upon, the College was registered with the Office for Students but its students were unable to benefit from student loans at the higher level, as the College was registered after the start of the academic year. The College helps those seeking to come to the College to identify the course that is appropriate to their current and future needs, depending on their interests and individual calling. The College has a wide range of courses and study options available with a similarly wide range of fees.

Fees are set at rates which are appropriate bearing in mind similar courses offered by other Baptist and Bible colleges. All courses are subsidised as the income from fees is less than the cost of providing courses. Donations and legacies from supporters, income derived from use of properties and assets, and investment income, all contribute to the subsidy.

Students who are training for the Baptist ministry have access to the Baptist Union Bursary Fund. They and other students have access to bursary funds administered by the College and to grants from charitable trusts. The College is active in ensuring that students with financial needs have information about raising money to fund their training and are able to apply for bursaries. Assistance is also available to students through providing on-site accommodation at rates below market rates.

Additional public interest governance principles

The Governors monitor good practice within both the charity and Higher Education sectors. This means that Spurgeon's College is seeking to align its governance processes, in regard to Higher Education, with the current guidance from the Committee of University Chairs contained in The Higher Education Code of Governance.² The governors are satisfied that adequate and effective measures are in place to ensure that when the College is in receipt of public funds they are appropriately used, in line with the conditions of the grant and the principles of regularity, propriety and value for money to protect the interest of taxpayers and consistent with its Charitable objects.

Volunteers

The College's work is supported by a number of volunteers whose contribution is invaluable and underpins the success of the College. In addition to those involved with the College's governance, volunteers assist with the Library, with the Learning Support Department, with church placements, and in various administration support roles.

Strategic report

Agreed strategy

The progress in relation to the College's objectives as defined in 2018 is reported as follows:

- a. To register with the Office for Students as soon as possible after 31st August 2018 in the Approved (Fee Cap) category.

The College was registered with the Office for Students in November 2019 and therefore this objective has been achieved.

- b. To apply for and achieve Taught Degree Awarding Powers from the Office for Students by August 2019.

The College applied for Taught Degree Awarding Powers in September 2020 and is now going through the scrutiny process.

- c. To secure 'indefinite' Taught Degree Awarding Powers.
- d. To apply for Research Degree Awarding Powers upon securing 'indefinite' Taught Degree Awarding Powers.
- e. To explore attaining university title once indefinite Taught Degree Awarding Powers have been secured.

Objectives, c, d and e will be pursued once Taught Degree Awarding Powers are achieved.

- f. To provide excellent and continually improving levels of education, formation and learning resources for all students across the board.

² See <https://www.universitychairs.ac.uk/wp-content/uploads/2015/02/Code-Final.pdf>

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

The College continues to provide excellent and continually improving levels of education, formation and learning resources as demonstrated by 100% of students agreeing in the National Students Survey that they are satisfied with the College. Student feedback at a unit, course and institution level also records high rates of satisfaction. Registration with the Office for Students and the College's continuing commitment to excellence demonstrates the College's commitment to continually improve.

- g. To encourage and facilitate access and participation in Higher Education.

The governors have commissioned and implemented an access and participation plan from 2020/21 to 2024/5 which is available on the College website and is monitored by the Access and Participation Monitoring Group, chaired by a governor.

- h. To develop a school and community outreach programme, utilising our connections with our existing and new partnerships, to encourage young people from all backgrounds to consider Higher Education.

In the period both the Principal and COO met Croydon Council education officers to discuss ways the College can help raise the attainment of the young people within the borough. A community worker has been employed since September 2020.

- i. To foster relationships with the growing church, especially in relation to the growing Black, Asian and Minority Ethnic (BAME) movements in London and the UK.

The College continues to dialogue with BAME movements in London and the UK.

- j. To explore with leaders from the BAME communities the creation of a range of bursaries and scholarships to encourage students from Under Represented Groups to study at Spurgeon's College.

The College committed itself to increase and target bursaries and scholarships to those from BAME communities with household incomes under £25,000 from 2020/21.

- k. To develop the College's capacity to resource the churches locally in London and nationally across the United Kingdom.

- l. To maintain and develop the College's reputation as a centre of excellence for counselling courses.

The report from CPCAB praised the counselling centre for continuing to be a centre of excellence.

- m. To develop partnerships with international universities and theological colleges, for example, through our International Distinguished Visiting Scholar programme.

The College continues to be in partnership with Anderson University in South Carolina and is engaged in continuing talks with a number of international partners, with whom the College is forming partnerships and programmes.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

- n. To foster and develop partnerships with international Baptist Associations and Unions.

The Principal has been elected to be a member of the Baptist World Alliance of Churches giving the opportunity to develop relationships and discuss strategic partnerships.

- o. To deliver capital build projects that contribute to income generation and the research and Higher Educational objectives of Spurgeon's College. For example:
- Build apartment block(s) as a source of income generation and additional accommodation space for international students.
 - Build a CH Spurgeon heritage and conference centre that is financially self-sustaining and income generating.
 - Build a spiritual retreat centre in the wood.

The Principal and COO have been managing three building projects, with the main concentration being on the College site in partnership with Henley Homes and Pigeon (South Norwood) Limited.

- p. Manage our building portfolio to support the delivery of the capital build projects.

The Principal and COO have submitted planning permission for the Raleigh Park Baptist Church site in Brixton, in order to release funds for the College.

- q. To develop and maintain a financial strategy that will deliver the College's objectives.

The governors, finance committee and senior management teams continue to monitor and implement the financial strategy adopted by the governors to diversify the income streams of the College through building development and revenue from property management.

Financial review

General (unrestricted) fund

The College recorded a deficit on the General Fund in 2019/2020 of £571,246 (2018/19, deficit of £254,719).

The major income stream is the fees charged to students. The College continues to be thankful for the donations and legacies which also contribute to the College's income. The College accessed the Coronavirus Job Retention Scheme, put in place due to the pandemic, and also, for the first time, received public funds from the Office for Students in the form of a teaching and learning grant. Both of these new income streams have been recorded in other income with an explanatory note 3a. It should be noted that the College's accommodation income reduced by £47,728 as lettings were not possible due to Covid-19 restrictions. Student fees and maintenance reduced by £194,475, in part because of the late registration with the Office for Students and in part due to Covid-19 as hub sites could not open and other strategic plans had to be put on hold. In the 2019/20 period, 98% expenditure was on charitable activities and 2% on generating funds (2018/19, 98% and 2% respectively). The College's operating costs remained consistent with the previous year, with staff working to ensure the College was best placed to meet the increased regulatory

and reporting burden associated with the Office for Students and the application process for degree awarding powers.

Restricted and endowment funds

A range of restricted funds appear in the accounts, being money donated for specific purposes such as student support through bursaries and enhanced teaching facilities. The governors are grateful for income received that has supported a range of specific projects.

Investment policy

The College's investment portfolios are managed on a discretionary basis by investment managers. The investment objectives of the respective portfolios are set out in an investment policy statement, which also prescribes the ethical policies to be followed by the investment managers. Investments are managed to achieve a balanced return between income and capital growth, generating income for use for current purposes whilst maintaining the value of investments for the benefit of future students. The Finance Committee conducts a review meeting once a year with the investment managers and the independent financial adviser and reviews the performance of investments regularly.

Reserves policy and future prospects

In accordance with Charity Commission guidance, the governors monitor the level of funds held in unrestricted reserves, recognising the pressures caused by the imbalance between income and expenditure at certain times of the year. Whilst income fluctuates over the course of a College year, salaries and other regular monthly costs continue throughout the year. The governors need to maintain free reserves of around £170,000 for this purpose alone. Given the annual shortfalls between College income and expenditure in recent years, it is also necessary to maintain reserves which can help fund shortfalls as and when they occur whilst the governors continue work to return General Fund income and expenditure after the receipt of donations to equilibrium.

The governors have determined that the optimum level of free reserves that the College should hold to ensure its survival should be sufficient to cover six month's budgeted operational expenditure, which equals £1,020,000. This compares with the reported unrestricted free reserves of £1,559,519 as at 31st July 2020.

In order to secure the financial future of the College, the governors have been working on a project to release value from the College site to provide an ongoing income stream, an increase in reserves, and new buildings for academic use. In this period continued progress has been made on a major development project which will achieve these aims. A considerable amount of work has been done on a project that will provide a substantial number of housing units for sale and rent whilst protecting the majority of the site for continued use by the College for its purposes. The College has strategically invested in this project in order to maximise the return and is expecting the planning application to be approved in 2021.

Fundraising activity

The College does not currently employ anyone dedicated to fundraising, nor does it use external fundraisers or commercial participators. The fundraising focus is on developing relationships with College supporters, which is done through the College social media channels, electronic communications and events. It has been more difficult to meet with supporters in the period due to the pandemic. The College has not received any complaints about its fundraising activities and practices.

COVID-19

The scale and spread of Covid-19 (coronavirus) virus worldwide and the actions taken by the government have caused and will continue to cause disruption to the College's activities and income. The outbreak is having a significant impact on the way the College delivers its education. The College moved the delivery of all its educational programmes to digital mode and expects to continue with digital delivery of its programmes at the start of the second semester and until Covid-19 vaccines change the situation for higher education in the UK. The governors have continued to monitor the situation very closely and at the start of the pandemic held additional governors' meetings to review the situation and plan accordingly.

Going concern

The governors are very aware of the impact of Covid-19 and its potential impact on student numbers. However, as the College invested significantly in IT infrastructure and provision, the governors are confident that the College can continue to deliver its entire Higher Education (HE) and non-Higher Education educational programmes digitally. The College is well set to meet the expectations within the HE sector that HE provision will take the form of a blended approach. The governors have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. They continue to adopt the going concern basis of accounting in preparing the financial statements.

Principal risks, uncertainties and opportunities

In order to further review, plan and mitigate risk, the governing body commissioned an external governance review in November 2019 which was undertaken by an OfS registered expert. As a result of this review, an action plan was implemented and a number of actions were taken, included creating a separate Audit and Risk Committee, revising the Articles of Association, appointing a student governor in January 2021, recruiting a Head of Finance (December 2020), and increasing governor diversity and training.

Maintaining the wide variety of activities of the College is not without its challenges and the governors have sought to manage the risks of such a faith undertaking. In this reporting period, and as a result of the governance review, the governors set up an Audit and Risk Committee to take on the existing review schedule monitored by the Finance Group. The necessary systems to keep all risks under regular review are in place. The major risks are reviewed at meetings of the governors and the risk register, which details all risks, assessing their severity and likelihood of occurrence and the systems and procedures necessary to

mitigate them if they were to occur, is reviewed annually by the Audit and Risk Committee which makes recommendations to the governors.

The governors have identified the areas of major potential risks as: the College's ongoing challenging financial position, where operating income is less than operating expenditure and the College is dependent on receiving charitable donations and legacies and generating income from other sources; failure to comply with legal requirements and OfS regulation; and the loss of key employees and inability to replace key staff effectively

The College is vulnerable to a decline in student numbers at a time when church attendance is decreasing and congregations find it more difficult to afford to pay a minister and the economic situation makes it harder for students to afford even the subsidised fees charged. Many independent theological and bible colleges are struggling to attract sufficient numbers of students and are facing financial problems. The College's location in London with a growing and diverse church scene, its evangelical tradition and reputation for excellence, and the variety of courses and modes of study offered all help mitigate the risk of a decline in recruitment.

As set out in the financial review section above, a considerable amount of work has been done to realise value from the College's site to ease the challenging financial position. The proposed major development will provide annual rental income, a one-off increase in reserves, and enable the College to build new academic buildings from which the College will be able to operate into the future, providing capacity to increase student numbers and cutting-edge facilities. In the period between 31st August 2019 and 31st July 2020 the College has made rapid progress on the development of the site to help secure the financial future of the College. The estimated value of the area of the site to be developed, once planning permission has been obtained, is £15 million.

Another recent development that helps secure the financial future of the College arose following the decision of Raleigh Park Baptist Church to close on 31st December 2018; in accordance with the terms of the church's Trust Deed, the College has been given the site on Arodene Road, Brixton, London SW2. The project for this site is proceeding and should deliver a significant financial return for the College.

The Governors are aware that the College compares well on cost per student in all areas other than regulation and compliance: due to the size of the student body, the cost of fees paid to regulatory bodies, staff costs in academic administration, regulation and compliance areas, and IT costs associated with these areas, is considerably higher per student than for other larger HE providers. This is a source of concern and every effort is made to operate efficiently and cost effectively.

As part of its strategic educational plan the College continues to look at the diversification of income stream and has a long-term plan to explore increasing its educational offering, for example offering dual honours degrees in subjects like sociology, counselling and philosophy. The College has met Liverpool Hope University (LHU) on a number of occasions and is the process of signing a partnership document with LHU, so that LHU can deliver its own programmes from the London site in the evenings and weekends. These additional courses are expected to increase the College's tuition fee income.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

In 2019, Spurgeon's College and BMS World Mission entered into a formal partnership between the two institutions, marking the culmination of a detailed exploration of ministry opportunities. The College considers that this collaborative partnership could be a critical component in transformational change within the Christian community at home and abroad through the equipping of missional disciples nationally and internationally. In partnership with BMS, Spurgeon's offered its Equipped to Minister training programme at BMS Birmingham. This has been paused due to the global pandemic. BMS and the College are in conversations about other strategic educational programmes.

The College's strategic decision to invest in new technology to create new opportunities for ministerial formation, training and education, via virtual learning, has proved particularly apposite in light of the global pandemic. Had the College not made the investment in the software system Panopto, it would not have been able to deliver such high quality, consistent education throughout the pandemic. The College recognises that ministerial formation and training must evolve to meet an increasingly diverse set of requirements, including virtual formation. In light of this, and the pandemic, the College also invested in additional e-resources for students who could no longer access the library provision on-site. This investment in educational resources has been of great benefit to the student during these unusual times.

Questions concerning Brexit, and whether or not the UK will leave the European Union, continued during the period. Higher Education has not been immune to wrestling with the uncertainty created by Brexit, but the College has put in place the appropriate plans and processes to accommodate EU and EEA students, through the Student Route programme.

The continued highly respected reputation of the College is crucial to its existence. The College participates actively in the Baptist Union of Great Britain and Evangelical Alliance, and maintains links locally, nationally and internationally. The Council, College Conference (alumni network) and the College's supporter base play a key role as ambassadors for the College.

Governors' responsibilities for the financial statements

The governors (who are also directors of Spurgeon's College for the purposes of company law) are responsible for preparing the Report of the Governors (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the income and expenditure of the charitable company for that period. In preparing these financial statements the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO 31ST JULY 2020

- 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 charitable company will continue in business.

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

Disclosure of information to auditors

To the knowledge and belief of the governors, there is no relevant information that the College's auditors are not aware of, and the governors have taken all the necessary care to ensure and establish that the auditors are aware of any relevant information.

Auditors

Mazars LLP will be proposed for reappointment in accordance with the provisions of the Companies Act 2006 and the Charities Act 2011.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 24th February 2021.

Signed on behalf of the governors



SARAH KING
Chair

24th February 2021

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO
31ST JULY 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPURGEON'S COLLEGE

Opinion

We have audited the financial statements of Spurgeon's College (the 'charity') for the period ended 31st July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st July 2020 and of its income and expenditure for the period 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.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Report of the Governors.

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 trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime, and take advantage of the small companies' exemption in preparing the Report of the Governors and from the requirement to prepare a Strategic Report.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on pages 16 and 17, 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 trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the Charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's members as a body for our audit work, for this report, or for the opinions we have formed.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE PERIOD TO
31ST JULY 2020

Signed for and on behalf of Mazars LLP

David Hoose

David Hoose (Feb 25, 2021 12:41 GMT)

David Hoose
(Senior Statutory Auditor)

Chartered Accountants and Statutory Auditor
6 Sutton Plaza, Sutton Court Road, Sutton, Surrey, SM1 4FS

Date: 25/02/2021

SPURGEON'S COLLEGE

**STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE PERIOD ENDED 31st JULY 2020**

		Unrestricted	Restricted	Endowment	11 months 2020	12 months 2019 (Restated)
		Funds	Funds	Funds	Total	Total
	Note	£	£	£	£	£
Income and endowments from:						
Donations and legacies	2a	306,757	31,808	-	338,565	858,653
Charitable activities	2b	888,997	1,496	-	890,493	1,127,021
Investments	3	6,990	10,701	-	17,691	20,168
Other	3a	71,206	5,404	-	76,610	6,783
Total income		1,273,950	49,409	-	1,323,359	2,012,625
Expenditure						
<i>Raising Funds</i>						
Costs of raising voluntary income	4	22,168	63	5,817	28,048	48,920
<i>Charitable activities</i>						
Student-related expenditure	5	1,823,028	65,875	-	1,888,903	2,194,748
Total expenditure		1,845,196	65,938	5,817	1,916,951	2,243,668
Net expenditure before gains/(losses) on investments		(571,246)	(16,529)	(5,817)	(593,592)	(231,043)
Gains on the sale of fixed assets		-	-	-	-	119,508
(Losses)/gains on Investments		(10,222)	-	(42,411)	(52,633)	9,928
Net movement in funds		(581,468)	(16,529)	(48,228)	(646,225)	(101,607)
Fund balances b/fwd (as previously stated)		1,650,421	549,753	472,634	2,672,808	2,788,767
Prior year adjustment	19	(98,813)	-	-	(98,813)	(113,165)
Fund balances b/fwd (as restated)		1,551,608	549,753	472,634	2,573,995	2,675,602
Fund balances c/fwd at 31 st July 2020		970,140	533,224	424,406	1,927,770	2,573,995

All amounts relate to continuing activities and there are no recognised gains or losses other than those included above

The notes on pages 26 to 35 form part of these financial statements

SPURGEON'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)- DETAILED COMPARATIVE FIGURES
FOR THE YEAR ENDED 31st AUGUST 2019

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	12 months 2019 Total (Restated) £
Income and endowments from:					
Donations and legacies	2a	796,806	61,847	-	858,653
Charitable activities	2b	1,125,389	1,632	-	1,127,021
Investments	3	6,264	13,904	-	20,168
Other		6,464	319	-	6,783
Total income		1,934,923	77,702	-	2,012,625
Expenditure					
<i>Raising Funds</i>					
Costs of raising voluntary income	4	43,013	-	5,907	48,920
<i>Charitable activities</i>					
Student-related expenditure	5	2,146,629	48,119	-	2,194,748
Total expenditure		2,189,642	48,119	5,907	2,243,668
Net expenditure before gains on investments		(254,719)	29,583	(5,907)	(231,043)
Gains on the sale of fixed assets		119,508			119,508
Gains on Investments		1,526	-	8,402	9,928
Net movement in funds		(133,685)	29,583	2,495	(101,607)
Fund balances b/fwd (as previously stated)		1,798,458	520,170	470,139	2,788,767
Prior year adjustment	19	(113,165)	-	-	(113,165)
Fund balances b/fwd (as restated)		1,685,293	520,170	470,139	2,675,602
Fund balances c/fwd at 31st August 2019		1,551,608	549,753	472,634	2,573,995

BALANCE SHEET
AS AT 31st JULY 2020

		2020	2020	2019	2019
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	7	2,095,720		1,970,342	
Investments	8	476,412		542,573	
			<u>2,572,132</u>		<u>2,512,915</u>
Current Assets					
Property to be sold		689,924		433,000	
Debtors & Prepayments	9	246,472		305,991	
Cash		1,141,551		1,090,288	
		<u>2,077,947</u>		<u>1,829,279</u>	
Creditors : Amounts falling due within one year					
Creditors & Accruals		263,174		1,300,812	
Fees received in advance		74,072		55,949	
	10a	<u>337,246</u>		<u>1,356,761</u>	
Net Current Assets			1,740,701		472,518
Total assets less current liabilities			<u>4,312,833</u>		<u>2,985,433</u>
Creditors: amounts falling due after more than one year					
Provisions for liabilities	10b 14		2,299,101 85,962		312,625 98,813
Net Assets			<u>1,927,770</u>		<u>2,573,995</u>
Represented by Funds					
General Funds			970,140		1,551,608
Total Unrestricted Funds			<u>970,140</u>		<u>1,551,608</u>
Restricted Funds	11		533,224		549,753
Endowment Funds	12		424,406		472,634
	13		<u>1,927,770</u>		<u>2,573,995</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 26 to 35 form part of these financial statements

Approved by the Governors on 24th February 2021 and signed on their behalf by:



Sarah King
CHAIR



David Kerrigan
HONORARY TREASURER

SPURGEON'S COLLEGE

STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

	2020	11 months 2020	2019 (Restated)	12 months 2019 (Restated)
	£	£	£	£
Cashflows from operating activities				
Net expenditure	(593,592)		(231,043)	
Adjustments for:				
Depreciation	25,939		32,551	
Interest income	(4,687)		(4,103)	
Trade and other receivables	59,519		(15,329)	
Trade and other payables	9,734		73,358	
Provisions for liabilities	(12,851)		(14,352)	
Cash flows used in operations		(515,938)		(158,918)
Cash flows from investing activities				
Purchase of property plant and equipment	(408,241)		(960,623)	
Purchase of investments	(109,669)		(119,081)	
Proceeds on disposal of investments	123,197		105,035	
Interest received	4,687		4,103	
Proceeds on sale of current assets	-		907,008	
		(390,026)		(63,558)
Cashflows from financing				
Proceeds from new loan		2,000,000		1,020,000
Repayment of loans		(1,042,773)		(25,000)
Net increase in cash		51,263		772,524

Analysis of cash and cash equivalents

	At 1 st September 2019	Cashflows	At 31 st July 2020
	£	£	£
Cash at Bank	1,090,288	51,263	1,141,551
Loans	(1,362,793)	(957,227)	(2,320,020)
	<u>(272,505)</u>	<u>(905,964)</u>	<u>(1,178,469)</u>
	At 1 st September 2018	Cashflows	At 31 st August 2019
	£	£	£
Cash at Bank	317,764	772,524	1,090,288
Loans	(376,333)	(986,460)	(1,362,793)
	<u>(58,569)</u>	<u>(213,936)</u>	<u>(272,505)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

1 ACCOUNTING POLICIES

1.1 Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards, and accordance with The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Charities Act 2011. They are drawn up on the historical accounting basis, except as stated in sub paragraph 1.5. The charity meets the definition of a public benefit entity under FRS 102.

The financial year end of the College was changed from 31st August to 31st July. Accordingly, the comparative figures are for twelve months from 1st September 2018 to 31st August 2019.

The College continues to diversify its sources of income in order to secure its financial future. The College is in advanced discussions with a property developer to develop the College site that will provide the College with rental and capital income. In addition, the College in 2020/21 will sell a property in order to improve the College's financial resilience. The College believes it has adequate financial resources for the foreseeable future and has therefore prepared the financial statements on a going concern basis.

1.2 Student fees, grants receivable, income from student accommodation and donations

Fees are recognised in the year to which they relate. Amounts not recovered five weeks after the accounting date are split into 4 categories: Certain, Good, Unsure and Bad. 90% provisions are made for those debts classified as Unsure and Bad and 45% provision is made for debts classified as Good. Where debts exceed 3 years a 100% provision is made.

1.3 Legacies

Legacies are normally accounted for when received, and adjusted for legacies notified during the year but received after the year end.

1.4 Fixed assets and depreciation

The charity has taken the advantage of the option to use the value of land and buildings at the date of transition to FRS 102 (1st September 2014) as deemed cost. No depreciation is charged in respect of freehold land and buildings. Properties are maintained in a good state of repair prolonging their useful life and enhancing their residual value. Accordingly the Governors consider any depreciation arising to be insignificant and immaterial. The Governors have capitalised part of the expenditure incurred on improving library facilities at the College, and agreed that this will be written off over 10 years.

The Governors carry out an annual review to consider the useful life and estimated residual value of the properties; this includes reviewing the properties for any impairment.

Tangible fixed assets costing £1,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets calculated to write off the cost on a straight line basis over their expected useful economic life as follows:-

Furniture and office equipment over 5 years, computer equipment over 3 years
Heating Plant over 10 years and building improvements over 20 years

1.5 Investments

Investments are stated in the financial statements at market value.

The historical cost is set out in Note 8.

1.6 Funds

Certain items of income and expenditure which relate to such funds created for specific purposes are taken directly to the appropriate restricted and endowment funds.

1.7 Taxation

The College is a registered charity under the Charities Act 2011 & has been recognised by Her Majesty's Revenue and Customs. Therefore no liability to corporation taxation arises on its charitable activities.

1.8 Expenditure

Expenditure is accounted for on an accruals basis. All charitable expenditure in furtherance of the charity's objectives relate to the provision of educational services. Costs of raising funds includes cost directly attributable for the provision of the charitable objectives.

1.9 Operating Lease Policy

Rentals payable under operating leases are charged on a straight line basis to the statement of financial activities over the term of the lease.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

	Unrestricted Funds	Restricted Funds	Endowment Funds	2020 Total	2019 Total
	£	£	£	£	£
2a DONATIONS AND LEGACIES					
Donations and grants received	222,819	31,808	-	254,627	158,808
Legacies received	83,938	-	-	83,938	699,845
	<u>306,757</u>	<u>31,808</u>	<u>-</u>	<u>338,565</u>	<u>858,653</u>
2b INCOME FROM CHARITABLE ACTIVITIES					
Student fees and maintenance	881,445	-	-	881,445	1,075,920
Discounts and unrecovered charges	(50,388)	-	-	(50,388)	(52,313)
	<u>831,057</u>	<u>-</u>	<u>-</u>	<u>831,057</u>	<u>1,023,607</u>
Accommodation charges	33,585	-	-	33,585	81,313
Rent from properties	24,355	1,496	-	25,851	22,101
	<u>57,940</u>	<u>1,496</u>	<u>-</u>	<u>59,436</u>	<u>103,414</u>
	<u>888,997</u>	<u>1,496</u>	<u>-</u>	<u>890,493</u>	<u>1,127,021</u>
3 INVESTMENT INCOME					
Dividends and interest on investments	2,303	10,701	-	13,004	16,065
Bank interest	4,687	-	-	4,687	4,103
	<u>6,990</u>	<u>10,701</u>	<u>-</u>	<u>17,691</u>	<u>20,168</u>
3a OTHER					
Sundry income	48,304	5,404	-	53,708	6,783
Grants and support income	22,902	-	-	22,902	-
	<u>71,206</u>	<u>5,404</u>	<u>-</u>	<u>76,610</u>	<u>6,783</u>
4 COSTS OF RAISING FUNDS					
Publicity and Fundraising expenses	20,891	63	-	20,954	41,743
Investment Management Charges					
General Fund	1,277	-	1,802	3,079	3,093
General Bursary Fund	-	-	-	-	-
Pringle Fund	-	-	723	723	732
Vectis Fund	-	-	2,710	2,710	2,763
Copley Fund	-	-	582	582	589
	<u>22,168</u>	<u>63</u>	<u>5,817</u>	<u>28,048</u>	<u>48,920</u>

Sundry income includes government support in relation to furloughed staff in roles identified as being unable to support the continued learning of students or not linked to an essential business support service following the impact of COVID19, under the government's Coronavirus Job Retention Scheme in 2019/20.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

5 STUDENT RELATED EXPENDITURE

SUMMARY OF EXPENDITURE	Unrestricted	Restricted	2020	2019
	Funds	Funds	Total	Total
	£	£	£	£
Tuition Costs	1,015,504	59,567	1,075,071	1,226,470
Domestic Costs	120,296	-	120,296	194,007
Establishment Costs	257,943	-	257,943	326,381
Administration Expenses	412,758	6,308	419,066	434,590
Student Accommodation	39	-	39	3,523
Governance Cost	16,488	-	16,488	9,777
	1,823,028	65,875	1,888,903	2,194,748

TUITION COSTS

Tutors' salaries, NI & pension contributions	640,309	27,675	667,984	722,523
Visiting tutors and examining costs	24,700	3,903	28,603	29,033
Travel allowances and expenses	10,540	570	11,110	20,362
Computer and network support	117,750	-	117,750	157,867
Property expenses	4,196	4,409	8,605	16,009
Student registration and validation fees	143,563	-	143,563	172,492
Miscellaneous tuition expenses	15,697	-	15,697	4,882
Library purchases	29,976	4,191	34,167	36,579
Depreciation of computer equipment	3,561	-	3,561	8,139
Student support and other disbursements	-	18,400	18,400	25,445
Sundry expenses	25,212	419	25,631	33,139
	1,015,504	59,567	1,075,071	1,226,470

DOMESTIC COSTS

Contract Catering	88,708	-	88,708	115,821
Domestic salaries, NI & pension contributions	-	-	-	-
Domestic expenses	31,183	-	31,183	77,745
Depreciation of equipment	405	-	405	441
	120,296	-	120,296	194,007

ESTABLISHMENT COSTS

Light and heat	51,603	-	51,603	55,608
Rates and insurance	24,905	-	24,905	23,844
Repairs and maintenance	22,095	-	22,095	65,282
Repairs - Nurseries House	660	-	660	720
Salaries, NI and pension contributions	136,707	-	136,707	156,956
Depreciation	21,973	-	21,973	23,971
	257,943	-	257,943	326,381

ADMINISTRATION EXPENSES

Salaries, NI & pension contributions	252,672	-	252,672	270,141
Printing postage and stationery	32,024	2	32,026	36,759
Telephones	5,997	-	5,997	5,942
Travel, Training and entertaining	1,262	-	1,262	2,530
Finance expenses	63,691	-	63,691	67,858
Professional fees	54,332	-	54,332	45,141
Sundry expenses	2,139	6,270	8,409	4,398
Equipment	641	36	677	1,821
	412,758	6,308	419,066	434,590

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

6 GOVERNANCE COSTS

General Fund	2020 £	2019 £
Auditors' remuneration	15,250	8,572
Governors' expenses reimbursed	1,238	1,205
	16,488	9,777

7 TANGIBLE FIXED ASSETS

For use by Charity	Properties £	Building improvements £	Equipment £	Assets Under Construction £	TOTAL £
Cost & Valuation					
At 1 st September 2019	1,435,000	241,016	257,885	386,454	2,320,355
Transfer to current assets	(137,000)	-	-	(119,924)	(256,924)
Additions	-	-	11,161	397,080	408,241
At 31 st July 2020	1,298,000	241,016	269,046	663,610	2,471,672
Depreciation					
At 1st September 2019	-	108,267	241,746	-	350,013
Charge for the period	-	17,460	8,479	-	25,939
At 31st July 2020	-	125,727	250,225	-	375,952
Net Book Value					
At 1st September 2019	1,435,000	132,749	16,139	386,454	1,970,342
At 31st July 2020	1,298,000	115,289	18,821	663,610	2,095,720

The freehold land and buildings now known as Spurgeon's College were transferred to the College as part of the transfer of the trusteeship of the Falkland Park Trust in 2003. In view of the nature of the permanent endowment and specialist nature and age of the College buildings, which are locally listed, the Governors do not feel it appropriate to ascribe any value thereto in these Financial Statements, particularly as the use of the premises do not create a surplus for College funds.

Certain other properties owned by the College were transferred from the unincorporated Spurgeon's College in 2003. These properties together with 191 South Norwood Hill, were professionally valued at £2,085,500 as at 1st September 2014 by Matthew Waddams MRICS, Chartered Surveyor, and Kinleigh Folkard & Hayward on a fair value basis. The charity has taken advantage of the transition arrangements in FRS 102 to treat this value as deemed cost. In 2018, 22 Whitworth road was sold reducing the carrying value of property asset by £787,550 to £1,298,000.

The net book value at 31st July 2020 represents fixed assets used for charitable purposes.

Assets under construction represent costs incurred in the development of the College campus that will be used for a mixture of Charitable and Non-Charitable purposes.

Transfer to current assets represents assets identified for sale that have been reclassified from tangible fixed assets to current assets property to be sold.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

8 INVESTMENTS

	General Fund	General Bursary Fund	Pringle Fund	Vectis Fund	Copley Fund	Cudlip Fund	Total
	£	£	£	£	£	£	£
At Valuation							
At 1 st September 2019	100,925	128,112	51,437	192,772	41,430	27,897	542,573
Purchases	19,422	27,944	11,219	42,047	9,037	-	109,669
Disposals	(21,818)	(31,391)	(12,603)	(47,234)	(10,151)	-	(123,197)
Losses	(10,222)	(11,522)	(4,626)	(17,337)	(3,726)	(5,200)	(52,633)
At 31 st July 2020	88,307	113,143	45,427	170,248	36,590	22,697	476,412
Represented by –							
Fixed interest securities	17,987	25,875	10,390	38,935	8,368	-	101,555
Equities	24,280	34,932	14,025	52,563	11,297	-	137,097
Investment & unit trusts	46,040	52,336	21,012	78,750	16,925	22,697	237,760
	88,307	113,143	45,427	170,248	36,590	22,697	476,412
Securities at Historical Cost							
At 1st September 2019	79,561	98,854	39,688	148,745	31,968	28,628	427,444
At 31st July 2020	79,480	98,736	39,641	148,568	31,930	28,628	426,983

All the investments are listed on a recognised Stock Exchange or are ones valued by reference to such investments, such as unit trusts and common investment funds.

9 DEBTORS

	2020	2019
	£	£
a. Amounts falling due within one year		
Trade debtors	191,026	207,098
Loan deposit	-	60,000
Legacy debtor	2,000	36,000
Prepayments	53,446	2,893
	<u>246,472</u>	<u>305,991</u>

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)

10 CREDITORS

	2020	2019
	£	£
a. Amounts falling due within one year		
Loan	20,919	1,050,168
Other Creditors & Accruals	221,808	250,644
Taxation and Social Security	20,447	-
Fees received in advance	74,072	55,949
	<u>337,246</u>	<u>1,356,761</u>
b. Amounts falling due after one year		
Loan	<u>2,299,101</u>	<u>312,625</u>

There are two loans: the first is for 15 years, repayable monthly, with interest charged at 300 basis points over the Bank of England base rate and secured by way of fixed charge on 191 South Norwood Hill, the remaining term is 13 years; and the second is interest only for 5 years with interest charged at 500 basis points over the Bank of England base rate and secured by way of fixed charge on the College's site, 189 South Norwood Hill, the remaining term is 4 years. See note 16 for additional information in relation to these loans.

11 RESTRICTED FUNDS

	Fund Balance 1 st September 2019	Income	Expenditure	Fund Balance 31 st July 2020
	£	£	£	£
Frank Fitzsimmonds Bursary Fund	28,200	-	(7,200)	21,000
General Bursary - Income	6,664	3,314	-	9,978
Pringle Bursary - Income	9,291	1,605	-	10,896
Vectis Fund - Income	16,486	4,986	(2,000)	19,472
Copley Fund - Income	6,667	1,072	-	7,739
Lamplighters Bursary	348	22,690	(4,901)	18,137
Conference Communion	174	-	-	174
Nott Fund	414,966	1,496	(4,449)	412,013
Restricted Gifts	21,733	3,420	(8,903)	16,250
Oversea Student	600	-	-	600
Learning Support	4,946	1,030	(4,406)	1,570
Pioneer Project	31,146	-	(24,317)	6,829
Principals fund	800	4,229	(2,641)	2,388
Student Rep	2,286	67	(48)	2,305
Birmingham fund	4,673	-	(4,673)	-
Cudlip income	773	-	-	773
EBA Hardship fund	-	5,000	(2,400)	2,600
Theology of Law Course	-	500	-	500
	<u>549,753</u>	<u>49,409</u>	<u>(65,938)</u>	<u>533,224</u>

Frank Fitzsimmonds Bursary Fund - A bequest given to assist deserving undergraduate students with their course fees whilst in full time training at Spurgeons College for the Baptist Ministry.

Income Funds (General Bursary, Pringle Bursary, Vectis Fund, Copley Fund) - Income derived from the investments held in these Funds (see note 12) is applied to provide assistance with students' fees and charges, or in the case of the Cudlip Legacy, for general College purposes.

Lamplighters Fund - To receive donations from 'Lamplighters' and others who wish to provide direct assistance to students who are unable to pay full fees.

Conference Communion Fund - A pastoral fund, administered by the Principal, established by past and present students of the College for the benefit of colleagues experiencing personal financial difficulties.

Nott Fund - In 1976 Miss Dorothy Nott made a bequest to the College of the residue of her estate for the purpose of helping retired ministers and missionaries who were former students of the College. A property in Beckenham, 7 Glanfield Road, is held for the benefit of retired members of the College.

Home from Home Fund - This fund was established to improve the standard of student accommodation.

Restricted Gift Fund - This includes gifts towards specific projects.

Oversea Student - This fund was established to provide assistance to overseas students.

Learning Support - A fund established to assist students with additional support needs in their studies.

Pioneer Fund - Grant received from the BU Newington Court to cover the writing of a pioneer pathway for ministerial training.

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)**

Principals Fund-This includes gifts specifically for use at the principles discretion.

Student Rep-A fund established to be used by the student representatives.

Birmingham Fund- Grant received from The Lady Hewley Trust to set up a library in BMS Birmingham.

Cudlip Income- Interest received from the amount invested from the estate of Miss Edith Mary Cudlip who died in March 2008. Under the terms of her will Miss Cudlip left the College a one thirteenth share of the residual estate with the proviso that the amount realised should be invested and the interest received should be used as a donation.

12 ENDOWMENT FUNDS

	Fund Balance 1st September 2019	Investment Management Charges	Investment Losses	Fund Balance 31st July 2020
	£	£	£	£
General Bursary	147,189	(1,801)	(11,522)	133,866
Pringle Bursary	56,065	(723)	(4,626)	50,716
Vectis Fund	196,866	(2,711)	(17,337)	176,818
Copley Fund	42,617	(582)	(3,726)	38,309
Cudlip Legacy	29,897	-	(5,200)	24,697
	<u>472,634</u>	<u>(5,817)</u>	<u>(42,411)</u>	<u>424,406</u>

The income earned on each of these endowments is recorded in the related restricted funds (see note 11).

General Bursary Fund - Income derived from the investments held in this Fund is applied to provide assistance with students' fees and charges.

Pringle Bursary - This fund is an endowment established in memory of David Pringle to provide assistance with fees and charges for a pastoral studies student not otherwise receiving any financial assistance from public funds. Preference is to be given to a student normally resident in the area of the former Lancashire & Cheshire Baptist Association (now the North Western Baptist Association).

The Vectis Fund - This fund is an endowment established in 2003 and added to in 2011 to provide assistance to either :-

- (1) students from the Isle of Wight, Hampshire or Dorset who :-
 - have the insight and ability to develop a strong pastoral role, or
 - are preparing for overseas mission, or
 - are studying on the evangelists' course; or

- (2) exceptional students from overseas who intend to return to their own country.

The Copley Fund - This fund was set up in 2003 by a bequest under the will of Edith Copley in memory of her parents John and Sarah Ann Copley. The object of the bequest was to provide assistance to any persons, with preference given to those from Yorkshire, who wish to study at Spurgeon's College with a view to entering the Baptist ministry, whom the governing body considers would be unable to do so without such assistance.

The Cudlip Legacy - A bequest from the estate of Miss Edith Mary Cudlip who died in March 2008. Under the terms of her will Miss Cudlip left the College a one thirteenth share of the residual estate with the proviso that the amount realised should be invested and the interest received should be used as a donation.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General	Restricted	Endowment	Total 2020
	£	£	£	£
Tangible fixed assets	1,709,722	386,000	-	2,095,722
Investments	88,307	-	388,105	476,412
Cash at bank and in hand	958,025	147,224	36,301	1,141,550
Other net Current Assets	599,149	-	-	599,149
Long term creditor	(2,299,101)	-	-	(2,299,101)
Provisions for liabilities	(85,962)	-	-	(85,962)
	<u>970,140</u>	<u>533,224</u>	<u>424,406</u>	<u>1,927,770</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)**

14 STAFF COSTS OF PERMANENT EMPLOYEES

	2020	2019
	£	£
Salaries	898,758	966,599
National Insurance costs	86,746	81,727
Pension costs		
Scottish Life - 18 (20) members	36,764	44,259
Baptist Pension Scheme - 12 (3) members	35,096	30,284
	<u>1,057,364</u>	<u>1,122,869</u>

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was 34 (2019: 41). The Average head count was 47 (2019: 45). No employee received remuneration of more than £60,000 in the current or prior year.

The salary, employer's national insurance and pension contributions paid during the year in respect of the College Principal (who is also a Governor of the college), in respect of his teaching and administrative duties, as authorised by the Articles of Association, amounted to £46,669.

The cost of employment of key management staff which includes Salary, National Insurance and Pension Contributions amounted to £130,055 (2019: £141,995). The key management staff include Vice Principal (Academic Director), Vice Principal (Director of Ministerial Formation) and the Chief Operating Officer.

During the period to 31st July 2020, the College made pension contributions in respect of 17 members of staff (2019: 16) into a defined contribution pension scheme where the assets are held separately from those of the Charity in independently administered funds.

The College also participates, on behalf of another 16 (2019: 16) members of staff, as an employer in the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the Employer and the other participating employers.

For any month, each participating employer in the Scheme pays contributions as set out in the Schedule of Contributions in force at that time.

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficiency contributions (see below).

The Ministers and members of the staff are eligible to join the Scheme.

From January 2012, pension provision is being made through the Defined Contribution (DC) Plan within the Scheme. In general, members pay 8% of their Pensionable Income and employers pay 6% of members' Pensionable Income into individual pension accounts, which are operated and managed on behalf of the Pension Trustee by Legal and General Life Assurance Society Limited. In addition, the employer pays a further 4% of Pensionable Income to cover Death in Service Benefits, administration costs, and an associated insurance policy which provides income protection for Scheme members in the event that they are unable to work due to long-term incapacity. This income protection policy has been insured by the Baptist Union of Great Britain with Aviva. [Members of the Basic Section pay reduced contributions of 5% of Pensionable Income, and their employers also pay a total of 5%.]

Benefits in respect of service prior to 1st January 2012 are provided through the Defined Benefit (DB) Plan within the Scheme. The main benefits for pre-2012 service were a defined benefit pension of one eightieth of Final Minimum Pensionable Income for each year of Pensionable Service, together with additional pension in respect of premiums paid on Pensionable Income in excess of Minimum Pensionable Income. The Scheme, previously known as the Baptist Ministers' Pension Fund, started in 1925, but was closed to future accrual of defined benefits on 31st December 2011.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)**

14 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

Actuarial Valuation as at 31st December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31st December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the Defined Contribution Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1st July 2020 to 31st December 2020.

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31st December 2020. The current Recovery Plan dated 30th September 2020 envisages deficiency contributions continuing until 30th June 2026.

Movement in Balance Sheet liability

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2020	2019 (Restated)
	£	£
Balance sheet liability at the start of the year	98,813	113,165
Minus deficiency contributions paid	<u>12,851</u>	<u>14,352</u>
Balance sheet liability at the end of the period	<u>85,962</u>	<u>98,813</u>

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus .75% pa)	3.20
Assumed investment returns	
Pre-retirement	2.95
Post-retirement	1.70
Deferred pension increases	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	2.70

The next actuarial valuation of the DB Plan within the scheme is due to take place not later than 31st December 2022.

15 GOVERNORS' REMUNERATION AND LOANS

Governors are not paid for their services as governors (except as regards the College Principal – see note 14 on the previous page). Reimbursements of £1,238 (2019: £1,205) were paid to four governors for directly incurred travel and other expenses. None of the governors had any loans.

16 RELATED PARTY TRANSACTIONS

The College Principal is also a Baptist Union trustee. The College has a £350,000 15yr repayment and £2m 5 yr interest only loan with the Baptist Union Corporation. The 15yr and 5yr loans are secured by way of fixed charge over the College's property 191 South Norwood and 189 South Norwood Hill and interest is charged at the Bank of England Base Rate plus 300 and 500 basis points, respectively. The total amount outstanding as the 31st July 2020 was £320,996 (2019: £331,037) and £1,999,023. The College also received Baptist Union grant money for the year totalling £32,687.

The College received a £10,000 donation from South Eastern Baptist Association, of which the Rev Staurt Davison (Board of Governors Vice Chair) is a regional manager.

The College Principal is remunerated for his role as an employee, further details can be seen in note 14.

17 STATUS OF THE COMPANY

The company is limited by guarantee. The number of members of the Council at the year end was 36 (2019: 40). In the event of a winding-up of the company, the maximum liability of each Council member is £10.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31st JULY 2020 (continued)**
18 COMMITMENTS UNDER OPERATING LEASES

At 31st July 2020 the college was committed to making the following payments for operating leases:

Within:	2020 £	2019 £
Less than One Year	22,121	33,273
In two to five years	28,350	40,825
Greater than five years	-	962
	<u>50,471</u>	<u>75,060</u>

19 PRIOR YEAR ADJUSTMENT

A review of the pension deficit funding payments during the year and review of the FRS 102 guidance has resulted in a provision for liability being required, and therefore prior year adjustments have been made to the Statement of Financial Activities and the Balance Sheet. Details of the adjustments are given below:

Statement of financial activities

	2020 £	2019 £
Balance of Funds at 1st September 2018 as previously stated		2,788,767
Adjustment of provision of pension liability		<u>(113,165)</u>
Balance of Funds at 1st September 2018 as restated		<u>2,675,602</u>
Total expenditure on charitable activities for the year to 31st August 2019 as previously stated		2,209,100
Adjustment for pension deficit payments in the year		<u>(14,352)</u>
Total expenditure on charitable activities for the year to 31st August 2019 as restated		<u>2,194,748</u>
Net movement in funds at 31st August 2019 as previously stated		(115,959)
Adjustment for pension deficit payments in the year		<u>14,352</u>
Net movement in funds at 31st August 2019 as restated		<u>(101,607)</u>
Balance of Funds at 1st September 2019 as previously stated	2,672,808	
Adjustment of provision of pension liability	<u>(98,813)</u>	
Balance of Funds at 1st September 2019 as restated	<u>2,573,995</u>	

Balance Sheet

Provisions for liabilities as previously stated	-
Adjustment of provision of pension liability	<u>(98,813)</u>
Provisions for liabilities as restated	<u>(98,813)</u>

20 POST BALANCE SHEET EVENTS

On 20th August 2020, the College applied for planning permission for five dwellings and a community hall/ church hall on the Raleigh Park Baptist Church site in Brixton. On 4th December 2020, Lambeth Council issued a draft decision notice, pending a final decision notice on 21st January 2021.

The College has received notification of, and is in the process of transferring, a legacy of a house which was in a trust. The value of the house is not known at this time, but is estimated to be circa £450,000