



**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

Contents	Page
Reference and administrative details	1
Report of the Governors	3
Report of the Independent Auditor	20
Statement of financial activities	25
Balance sheet	27
Statement of cash flows	28
Notes to the financial statements	29

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

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

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*, Rev'd 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

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>

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

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

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 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 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.

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

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

A handwritten signature in black ink, appearing to read 'L. Ebdon', is written above the printed name.

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.

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

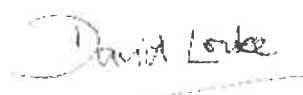
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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	<u>(95,643)</u>		<u>(90,644)</u>	
		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	<u>(1,634,478)</u>		<u>(42,910)</u>	
		199,989		482,090
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

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

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 TRANSFERS 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	-
Lamplighters 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	<u>(2,657,583)</u>	<u>-</u>	<u>-</u>	<u>(2,657,583)</u>
	<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	-	79,475

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.

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.