



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

Company number: 04418151

Charity registration number: 1096721

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

Website: www.spurgeons.ac.uk

SPURGEON'S COLLEGE

Registered charity no. 1096721

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

REPORT OF THE GOVERNORS

and

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31st JULY 2023

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REFERENCE AND ADMINISTRATIVE DETAILS

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

Company registration number 04418151

Charity registration number 1096721

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

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

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

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Principal advisers

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

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GOVERNORS' ANNUAL REPORT

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

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

Structure, Governance and Management

Governing document

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

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

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

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

Validation and regulation

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

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

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

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

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

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

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

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

Organisational structure and decision making

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

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

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

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

The advisory committees are as follows:

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

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

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

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

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

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

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

Governor recruitment and appointment

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

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

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

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

Remuneration

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

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

Appointment of Chancellor

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

Objectives and activities

Objects

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

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Our Mission

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

Our Vision

The College draws its vision from three sources:

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

The College Vision, approved in 2018 is:

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

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

Our Values

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

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

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

Students

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

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

Public benefit

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

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

The students benefit through:

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

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

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The benefit to the general public comes through:

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

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

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

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

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

Civic contribution

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

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

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

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

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

Additional public interest governance principles

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

Volunteers and Donors

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

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

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

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

Strategic report

Agreed strategy

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

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

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

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

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

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

This cannot be requested until September 2025.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial review

General (unrestricted) fund

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

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

Restricted and endowment funds

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

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

Investment policy

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

Reserves policy and future prospects

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

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

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

Fundraising activity

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

SPURGEON'S COLLEGE

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

COVID-19

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

Going concern

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

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

Principal risks, uncertainties and opportunities

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

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

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

SPURGEON'S COLLEGE

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

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

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

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

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

Governors' responsibilities for the financial statements

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

SPURGEON'S COLLEGE

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

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

Disclosure of information to auditors

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

Auditors

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

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

Signed on behalf of the governors:



LES EBDON

Chair

15 January 2024

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our approach was as follows:

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

Date 15/01/2024

9 Appold Street
London
EC2A 2AP

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

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

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

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

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

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

BALANCE SHEET
AS AT 31st JULY 2023

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

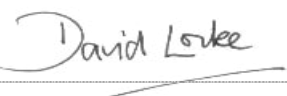
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

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



Professor Sir Les Ebdon
CHAIR



David Locke
HONORARY TREASURER

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

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

Analysis of cash and cash equivalents and changes in net debt

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

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

1 ACCOUNTING POLICIES

1.1 Basis of accounting

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

1.2 Going concern

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

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

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

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

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

1.4 Legacies

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

1.5 Fixed assets and depreciation

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

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

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

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

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

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

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

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

1.6 Investments

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

1.7 Funds

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

1.8 Taxation

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

1.9 Expenditure

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

1.10 Operating Lease Policy

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

1.11 Critical accounting estimates and areas of judgement

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

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

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

1.12 Corporate Governance and Internal Control

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

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

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

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

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

5 Student-related expenditure

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

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

6 ACCESS AND PARTICIPATION

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

7 GOVERNANCE COSTS

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

8 TANGIBLE FIXED ASSETS

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

All fixed assets are held for direct charitable use.

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

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

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

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

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

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

9 INVESTMENTS

a) Fixed interest and equity-based Investments

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

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

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

10 DEBTORS

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

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

11 CREDITORS

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

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

12 TRANSFERS BETWEEN FUNDS

There have been no transfers this year

13 RESTRICTED FUNDS

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

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

Movements in comparative period

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

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

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

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

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

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

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

Restricted Gift Fund - This includes gifts towards specific projects.

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

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

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

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

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

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

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

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

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

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

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

14 ENDOWMENT FUNDS

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

Movements in comparative period

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

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

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

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

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

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

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

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

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

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

16 STAFF COSTS OF PERMANENT EMPLOYEES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

Actuarial Valuation and Deficit recovery

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

The key financial assumptions underlying the valuation were as follows

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

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

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

Recovery Plan

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

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

Movement in Balance Sheet liability

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

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

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

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

The key financial assumptions underlying the valuation were as follows:

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

17 GOVERNORS' REMUNERATION AND LOANS

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

18 RELATED PARTY TRANSACTIONS

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

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

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

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

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

19 STATUS OF THE COMPANY

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

20 COMMITMENTS UNDER OPERATING LEASES

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

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

21 POST BALANCE SHEET EVENTS

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