



REPORT OF THE GOVERNORS
and
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31st July 2021

Company number: 04418151

Charity registration number: 1096721

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

Website: www.spurgeons.ac.uk



SPURGEON'S COLLEGE

Registered charity no. 1096721

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

REPORT OF THE GOVERNORS and FINANCIAL STATEMENTS

**FOR THE YEAR
ENDED 31st JULY
2021**

Contents	Page
Reference and administrative details	1
Report of the Governors	3
Report of the Independent Auditor	17
Statement of financial activities	21
Balance sheet	23
Statement of cash flows	24
Notes to the financial statements	25

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

REFERENCE AND ADMINISTRATIVE DETAILS

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

Company registration number	04418151
Charity registration number	1096721
Registered office	Spurgeon's College 189 South Norwood Hill London SE25 6DJ
Governors	Rev'd Stuart Davison (<i>Vice-Chair</i>) Prof Sir Leslie Ebdon Rev'd Jonathan Edwards Mrs Joanne Gale Rev'd David Kerrigan (<i>Treasurer</i>) (to 31 st March 2021) Mrs Charlotte Kirby-Thomson Mrs Sarah King (<i>Chair</i>) Rev'd Prof Philip McCormack (<i>Principal</i>) Ms Charmaine Mhlanga (<i>Student governor</i>) Mr David Locke (<i>Treasurer</i>) Mr Neil Sherringham Pastor Michael White Ms Genelle Aldred (to 16 th December 2021)
Senior staff	Rev'd Prof Philip McCormack (<i>Principal</i>) Rev'd Helen Stokley (<i>Chief Operating Officer</i>) Rev'd Dr Stephen Wright, (<i>Vice Principal – Academic Director</i>) Rev'd Simon Jones (<i>Vice Principal – Director of Training & Ministerial Formation</i> to 12 th February 2022) Rev'd Seidel Abel Boanerges (<i>Dean of Ministerial Formation – Designate</i>) (from 1 st September 2021 and Dean from 12 th February 2022)

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Principal advisers

Solicitors	(to 31 st January 2021) Morrisons Clarendon House Clarendon Road Redhill RH1 1FB
	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF
Bankers	NatWest Bank Addiscombe Branch 209 Lower Addiscombe Road Croydon Surrey CR0 6RB
Auditors	(to 2 nd June 2021) Mazars LLP 2 nd Floor 6 Sutton Plaza Sutton Court Road Sutton Surrey SM1 4FS
	(from 13 th July 2021) Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Investment Managers	Rathbones 159 New Bond Street London W1S 2UD
Independent Financial Advisers	AW Financial Management LLP River House 1 Maidstone Road Sidcup Kent DA14 5RH

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

GOVERNORS' ANNUAL REPORT

The governors have pleasure in presenting their report and the financial statements of Spurgeon's College for the year ended 31st July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Acts purposes.

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

Structure, governance and management

Governing document

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

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

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

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

Validation and regulation

Spurgeon's College is an approved partner of the University of Manchester, Liverpool Hope University (from January 2021), and the Institute of Pastoral Counselling, and is an approved teaching centre for the Counselling and Psychotherapy Central Awarding Body. The College remains a collaborative centre of the University of Wales on teach-out, and has validation links with the University of Chester for some postgraduate degrees, which are also on teach-out.

Spurgeon's College and the University of Manchester have an exit arrangement from their validation arrangement. This exit arrangement will cover existing students on University of Manchester validated programmes through to completion ('run out') and includes students entering on a University of Manchester validated programme in the academic year up to and

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

including 2022/2023.

In January 2021, the QAA began its visits and observation phase of the College's application for Taught Degree Awarding Powers. If successful in its application, students will enter on a Spurgeon's College's validated degree in the academic year 2022/23. In January 2021, the College started offering two new Masters degrees validated by Liverpool Hope University.

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

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

Organisational structure and decision making

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

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

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

The advisory committees are as follows:

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

The Academic Board is the body entrusted by the governors with overseeing the educational work of the College. The members during the year ended 31st July 2021 were as follows:

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

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

Governor recruitment and appointment

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

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

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

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

Remuneration

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

Objectives and activities

Objects

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

Our Mission

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

Our Vision

The College draws its vision from three sources:

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

The College Vision for the next ten years is:

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Our Values

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

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

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

Students

The College's main activity is the provision of theological education and ministerial and practical training for Christian mission and ministry.

The number of students studying at the College increased in this financial period, despite the decision by the Senior Management Team to deliver the College's educational programmes digitally through the whole academic year. Existing and prospective students were kept fully informed of the decision to deliver its programmes digitally because of the impact of the global coronavirus pandemic. The College's Digital Educational Framework was published on its website and revised in December 2020. It should be noted that the impact of Covid-19 meant that the College's Birmingham and Cambridge hubs could not remain open for face to face teaching, which impacted student numbers on our weekend and evening courses and student related income at these two locations.

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

Public benefit

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Those who benefit from the College's work directly are the students who study and/ or train for ministry, both ordained and lay, and also, indirectly, those who worship in and benefit from the ministry of churches in the UK and around the world which are served by students and former students.

The students benefit through:

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

The benefit to the general public comes through:

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

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

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

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Additional public interest governance principles

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

Volunteers

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

Strategic report

Agreed strategy

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

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

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

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

The College applied for Taught Degree Awarding Powers (TDAPs) in September 2020 and is approaching the end of the scrutiny process. The result of the College's Full TDAPs application will be known in the first quarter of 2022.

- c. To secure 'indefinite' Taught Degree Awarding Powers.
- d. To apply for Research Degree Awarding Powers upon securing 'indefinite' Taught Degree Awarding Powers.
- e. To explore attaining university title once indefinite Taught Degree Awarding Powers have been secured.

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

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

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

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

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

The Principal and COO continued to discuss with Croydon Council ways in which the College could help raise attainment of the young people within the borough. The Community Worker has been actively reaching out to and working with community groups in South Croydon and engaging with local secondary schools.

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

The dialogue with BAME movements in London and the UK continued during the pandemic. Practical partnerships are expected to be explored in more detail during the academic year 2021-2022.

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

The College committed itself to give student bursaries and scholarships to those from BAME and IMD communities with household incomes under £25,000 in 2020/21. This commitment was honoured in the reporting period of this report.

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

The College's investment in its digital capabilities ensured that during this reporting period it continued to resource churches in London and across the UK.

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

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

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

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

- o. To deliver capital build projects that contribute to income generation and the research and Higher Educational objectives of Spurgeon's College. For example:
- Build apartment block(s) as a source of income generation and additional accommodation space for international students.
 - Build a CH Spurgeon heritage and conference centre that is financially self-sustaining and income generating.
 - Build a spiritual retreat centre in the wood.

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

The planning permission application submitted for the Raleigh Park Baptist Church site in Brixton was granted in this reporting period. The sale of this site will release substantial funds for the College.

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

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

Financial review

General (unrestricted) fund

The College recorded a deficit on the General Fund in 2020/2021 of £403,848 (2019/20, deficit of £562,596).

The major income stream is the fees charged to students. The College continues to be thankful for the donations and legacies which also contribute to the College's income. The College continued to receive public funds from the Office for Students in the form of a teaching and learning grant. This has been recorded in other income with an explanatory note 3a. It should be noted that the College's accommodation income has continued to be reduced because lettings were not possible due to Covid-19 restrictions. In the 2020/21 period, 99% expenditure was on charitable activities and 1% on generating funds (2019/20, 98% and 2% respectively). The College's operating costs remained consistent with the previous year, with staff working to ensure the College was best placed to meet the increased regulatory and reporting burden associated with the Office for Students and the application process for degree awarding powers.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Restricted and endowment funds

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

Total income for the year was £118,564 (2020: £125,793) and total expenditure was £126,119 (2020: £136,159). At the year end total restricted funds were £557,184. Total endowment funds at the year end were £461,902.

Investment policy

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

Reserves policy and future prospects

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

The governors have determined that the optimum level of free reserves that the College should hold to ensure its survival should be sufficient to cover six month's budgeted operational expenditure, which equals £1,103,000. This compares with the reported unrestricted free reserves of £350,435 as at 31st July 2021 – see Note 15 "Analysis of Net Assets by Fund" for Total Unrestricted Funds less Fixed Assets and related loan funding (Long Term Creditor). In order to secure the financial future of the College, the governors have been working on a project to release value from the College site to provide an ongoing income stream, an increase in reserves, and new buildings for academic use. In this period continued progress has been made on a major development project which will achieve these aims. A considerable amount of work has been done on a project that will provide a substantial number of housing units for sale and rent whilst protecting the majority of the site for continued use by the College for its purposes. The College has strategically invested in this project in order to maximise the return and had been expecting the planning application to be approved in 2021. Due to a combination of the ongoing impact of Covid-19 restrictions and well-publicised financial pressures impacting upon Croydon Council, the College's planning application is now anticipated to be approved in 2022.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Fundraising activity

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

COVID-19

The scale and spread of Covid-19 (coronavirus) virus worldwide and the actions taken by the government caused disruption to the College's activities and income. During 2020-2021 the outbreak had a significant impact on the way the College delivered its education. In 2019-2020 the College had moved the delivery of all its educational programmes to digital mode and took the decision to continue with digital delivery of its programmes at the start of the academic year 2020-2021; an approach which proved apposite and continued throughout the academic year.

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

Going concern

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least 12 months from the date of approval of the financial statements. Further detail of this assessment is found in note 1, page 25.

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

Principal risks, uncertainties and opportunities

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

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

The College is vulnerable to a decline in student numbers at a time when church attendance is decreasing and congregations find it more difficult to afford to pay a minister and the economic situation makes it harder for students to afford even the subsidised fees charged.

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Many independent theological and bible colleges are struggling to attract sufficient numbers of students and are facing financial problems. The College's location in London with a growing and diverse church scene, its evangelical tradition and reputation for excellence, and the variety of courses and modes of study offered all continue help mitigate the risk of a decline in recruitment.

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

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

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

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

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

Governors' responsibilities for the financial statements

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

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

Disclosure of information to auditors

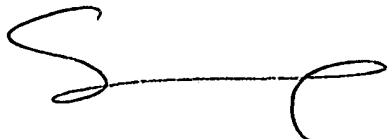
To the knowledge and belief of the governors, there is no relevant information that the College's auditors are not aware of, and the governors have taken all the necessary care to ensure and establish that the auditors are aware of any relevant information.

Auditors

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

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and was approved by the Board of Governors (in their capacity as company directors) on 14th March 2022

Signed on behalf of the governors



SARAH KING
Chair

14th March 2022

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST JULY 2021

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

Opinion

We have audited the financial statements of Spurgeon's College ('the company') for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

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

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

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

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

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

Our approach was as follows:

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

SPURGEON'S COLLEGE

REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST JULY 2021

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

Use of our report

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

Moore Kingston Smith LLP

15th March 2022

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

SPURGEON'S COLLEGE

**STATEMENT OF FINANCIAL ACTIVITIES (including the Income and Expenditure Account)
FOR THE YEAR ENDED 31st JULY 2021**

		Unrestricted	Restricted	Endowment	12 months 2021	11 months 2020 (Restated)
		Funds	Funds	Funds	Total	Total
	Note	£	£	£	£	£
Income from:						
Donations and legacies	2a	672,601	101,461	-	774,062	421,167
Charitable activities	2b	972,301	1,632	-	973,933	890,493
Investments	3	4,900	11,662	-	16,562	17,691
Other	3a	105,256	3,809	-	109,065	76,610
Total income		1,755,058	118,564	-	1,873,622	1,405,961
Expenditure						
<i>Raising Funds</i>						
Costs of raising voluntary income	4	11,921	5,834	5,898	23,653	28,048
<i>Charitable activities</i>						
Student-related expenditure	5	2,146,985	120,285	-	2,267,270	1,940,509
Total expenditure		2,158,906	126,119	5,898	2,290,923	1,968,557
Net expenditure before gains/(losses) on investments		(403,848)	(7,555)	(5,898)	(417,301)	(562,596)
Transfers between funds	12	19,016	(773)	(18,243)	-	-
Gains on the sale of fixed assets		-	-	-	-	-
Gains on Investments	9	14,395	-	61,637	76,032	(52,633)
Gains on revaluation of fixed assets		7,500,000			7,500,000	-
Net movement in funds		7,129,563	(8,328)	37,496	7,158,731	(615,229)
Fund balances b/fwd (as previously stated)		970,140	533,224	424,406	1,927,770	2,573,995
Prior year adjustments	21	17,301	32,288	-	49,589	18,593
Fund balances b/fwd (as restated)		987,441	565,512	424,406	1,977,359	2,592,588
Fund balances c/fwd at 31st July 2021		8,117,004	557,184	461,902	9,136,090	1,977,359

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

The notes on pages 25 to 37 form part of these financial statements

SPURGEON'S COLLEGE

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) - DETAILED COMPARATIVE FIGURES FOR THE 11 MONTHS ENDED 31st JULY 2020

		Unrestricted Funds	Restricted Funds	Endowment Funds	11 months 2020 Total (Restated) £
	Note	£	£	£	£
Income from:					
Donations and legacies	2a	312,975	108,192	-	421,167
Charitable activities	2b	888,997	1,496	-	890,493
Investments	3	6,990	10,701	-	17,691
Other		71,206	5,404	-	76,610
Total income		1,280,168	125,793	-	1,405,961
Expenditure					
<i>Raising Funds</i>					
Costs of raising voluntary income	4	22,168	63	5,817	28,048
<i>Charitable activities</i>					
Student-related expenditure	5	1,804,413	136,096	-	1,940,509
Total expenditure		1,826,581	136,159	5,817	1,968,557
Net expenditure before gains on investments		(546,413)	(10,366)	(5,817)	(562,596)
Gains on the sale of fixed assets		-	-	-	-
Losses on Investments		(10,222)	-	(42,411)	(52,633)
Net movement in funds		(556,635)	(10,366)	(48,228)	(615,229)
Fund balances b/fwd (as previously stated)		1,551,608	549,753	472,634	2,573,995
Prior year adjustments	21	(7,532)	26,125		18,593
Fund balances b/fwd (as restated)		1,544,076	575,878	472,634	2,592,588
Fund balances c/fwd at 31st July 2020		987,441	565,512	424,406	1,977,359

BALANCE SHEET
AS AT 31st JULY 2021

		2021	2021	2020	2020
	Note	£	£	£	£
Fixed Assets					
Tangible Fixed Assets	8	10,408,619		2,091,675	
Investments	9	557,772		476,412	
			10,966,391		2,568,087
Current Assets					
Property to be sold		827,639		689,924	
Debtors & Prepayments	10	360,832		267,818	
Cash		208,954		1,141,551	
		1,397,425		2,099,293	
Creditors : Amounts falling due within one year					
Creditors & Accruals		826,677		230,886	
Fees received in advance		65,524		74,072	
	11a	892,201		304,958	
Net Current Assets			505,224		1,794,335
Total assets less current liabilities			11,471,615		4,362,422
Creditors: amounts falling due after more than one year	11b		2,256,050		2,299,101
Provisions for liabilities	16		79,475		85,962
Net Assets			9,136,090		1,977,359
Represented by Funds					
General Funds			8,117,004		987,441
Total Unrestricted Funds			8,117,004		987,441
Restricted Funds	13		557,184		565,512
Endowment Funds	14		461,902		424,406
	15		9,136,090		1,977,359

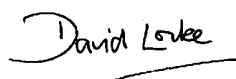
These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The notes on pages 25 to 37 form part of these financial statements

Approved by the Governors on 14 March 2022 and signed on their behalf by:



Sarah King
CHAIR



David Locke
HONORARY TREASURER

SPURGEON'S COLLEGE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31st JULY 2021**

	2021	2021	2020	11 months 2020
	£	£	(Restated) £	(Restated) £
Cashflows from operating activities				
Net expenditure	(416,128)		(562,596)	
Adjustments for:				
Depreciation	25,552		24,051	
Interest income	(2,390)		(4,687)	
Trade and other receivables	(93,014)		53,301	
Trade and other payables	62,102		3,571	
Provisions for liabilities	(6,487)		(12,851)	
Cash flows used in operations		(430,366)		(499,211)
Cash flows from investing activities				
Purchase of property plant and equipment	(980,211)		(424,968)	
Purchase of investments	(90,644)		(109,669)	
Proceeds on disposal of investments	85,316		123,197	
Interest received	2,390		4,687	
Proceeds on sale of current assets	-		-	
		(983,148)		(406,753)
Cashflows from financing				
Proceeds from new loans		525,000		2,000,000
Repayment of loans		(42,910)		(1,042,773)
Net (decrease)/increase in cash		(931,424)		51,263
cash at the beginning of the year		1,141,551		1,090,288
cash at the end of the year		208,954		1,141,551

Analysis of cash and cash equivalents and changes in net debt

	At 1 st August 2020 £	Cashflows £	At 31 st July 2021 £
Cash at Bank	1,141,551	(932,607)	208,954
Loans	(2,320,020)	(482,090)	(2,802,110)
	<u>(1,178,469)</u>	<u>(1,414,687)</u>	<u>(2,593,156)</u>
	At 1 st September 2019 £	Cashflows £	At 31 st July 2020 £
Cash at Bank	1,090,288	51,263	1,141,551
Loans	(1,362,793)	(957,227)	(2,320,020)
	<u>(272,505)</u>	<u>(905,964)</u>	<u>(1,178,469)</u>

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021

1 ACCOUNTING POLICIES

1.1 Basis of accounting

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

The financial year end of the College was changed from 31st August to 31st July in 2020. Accordingly, the comparative figures are for eleven months from 1st September 2019 to 31st July 2020.

Going concern

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

The current economic climate as a result of the Covid-19 pandemic has put a further strain on the amount of income that the company can generate from course offerings and the College continues to diversify its sources of income in order to secure its financial future.

The College is in advanced discussions with a property developer to develop the College site. This is structured so as to provide the College with an initial capital sum and annual rental income. The College expects to agree heads of terms, subject to planning permission during 2022.

In addition, the College is in the process of selling a property in order to improve the College's financial resilience and short term cash flow position. Contracts were exchanged during the year however completion has been delayed due to a rights of light claim in relation to the proposed development.

On the 8th March 2022 the College received confirmation of settlement in relation to the right to light legal easement and the sale contract requires completion to take place within 15 days of this event. Whilst the governors are confident that completion will indeed take place within this timescale, the charity is dependent on the purchaser to proceed to completion which had not yet taken place at the date of approval of these financial statements.

If the property is not sold in the short term, the purchaser is technically in breach of contract and the charity would be entitled to receive the deposit of £165,000 currently held in escrow. However in this eventuality it is difficult to reliably predict whether the quantum and timing of receipt of other income or further borrowings will be sufficient to enable the charity to meet its liabilities as they fall due. After appropriate consideration and making enquiries the governors have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future.

As described in note 21 (Post balance sheet events), subsequent to the year end the College received additional loan funding from the Baptist Union Council to provide bridging finance and working capital due to the delay in the sale.

Furthermore the governors are negotiating with the Baptist Union Corporation for a loan facility of approximately £4,000,000 to enable the College to progress the proposed building development on its site and allow for the variation in timing of receipts and payments in relation to the development, including additional working capital in the event that fee income does not increase in line with expectations. Accordingly, the charitable company has continued to adopt the going concern basis in preparing its financial statements.

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

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

1.3 Legacies

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST July 2021 (continued)**

1.4 Fixed assets and depreciation

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

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

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

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

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

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

Furniture and office equipment over 5 years, computer equipment over 3 years
Heating Plant over 10 years and building improvements over 20 years

1.5 Investments

Investments are stated in the financial statements at market value.

The historical cost is set out in Note 9.

1.6 Funds

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

1.7 Taxation

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

1.8 Expenditure

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

1.9 Operating Lease Policy

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

1.10 Critical accounting estimates and areas of judgement

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

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

See note 8 for the carrying amount of the property, plant and equipment and note 1 above for the useful economic lives for each class of asset.

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

				12 months 2021	11 months 2020
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	As restated £
2a DONATIONS AND LEGACIES					
Donations and grants received	98,080	101,461	-	199,541	337,229
Legacies received	574,521	-	-	574,521	83,938
	672,601	101,461	-	774,062	421,167
2b INCOME FROM CHARITABLE ACTIVITIES					
Student fees and maintenance	993,043	-	-	993,043	881,445
Discounts and unrecovered charges	(50,505)	-	-	(50,505)	(50,388)
	942,538	-	-	942,538	831,057
Accommodation charges	-	-	-	-	33,585
Rent from properties	29,763	1,632	-	31,395	25,851
	29,763	1,632	-	31,395	59,436
	972,301	1,632	-	973,933	890,493
3 INVESTMENT INCOME					
Dividends and interest on investments	2,510	11,662	-	14,172	13,004
Bank interest	2,390	-	-	2,390	4,687
	4,900	11,662	-	16,562	17,691
3a OTHER					
Sundry income	72,783	-	-	72,783	53,708
Grants and support income	32,473	3,809	-	36,282	22,902
	105,256	3,809	-	109,065	76,610
4 COSTS OF RAISING FUNDS					
Publicity and Fundraising expenses	10,627	5,834	-	16,461	20,954
Investment Management Charges					
General Fund	1,294	-	-	1,294	3,079
General Bursary Fund	-	-	1,826	1,826	-
Pringle Fund	-	-	733	733	723
Vectis Fund	-	-	2,748	2,748	2,710
Copley Fund	-	-	591	591	582
	11,922	5,834	5,898	23,653	28,048

Sundry income includes government support in relation to furloughed staff in roles identified as being unable to support the continued learning of students or not linked to an essential business support service following the impact of COVID19, under the government's Coronavirus Job Retention Scheme in 2020/21.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

5 STUDENT RELATED EXPENDITURE

			12 months 2021	11 months 2020
SUMMARY OF EXPENDITURE	Unrestricted Funds	Restricted Funds	Total	As restated Total
	£	£	£	£
Tuition Costs	1,234,913	111,131	1,346,043	1,145,292
Domestic Costs	101,073	-	101,073	120,296
Establishment Costs	246,072	4,061	250,133	256,094
Administration Expenses	547,691	5,093	552,784	402,339
Governance Cost (Note 7)	17,236	-	17,236	16,488
	2,146,985	120,285	2,267,270	1,940,509

TUITION COSTS

Tutors' salaries, NI & pension contributions	729,758	21,799	751,557	667,984
Visiting tutors and examining costs	29,974	270	30,244	28,603
Travel allowances and expenses	2,966	330	3,296	11,110
Computer and network support	149,285	304	149,589	117,750
Property expenses	8,190	1,172	9,362	8,605
Student registration and validation fees	183,254	-	183,254	143,563
Miscellaneous tuition expenses	56,529	-	56,529	15,697
Library purchases	30,935	-	30,935	34,167
Depreciation of computer equipment	5,110	-	5,110	3,561
Student support and other disbursements	10,000	87,256	97,256	88,621
Sundry expenses	28,912	-	28,912	25,631
	1,234,913	111,131	1,346,043	1,145,292

DOMESTIC COSTS

Contract Catering	26,828	-	26,828	88,708
Domestic expenses	73,803	-	73,803	31,183
Depreciation of equipment	442	-	442	405
	101,073	-	101,073	120,296

ESTABLISHMENT COSTS

Light and heat	44,061	-	44,061	51,603
Rates and insurance	27,297	-	27,297	24,905
Repairs and maintenance	26,164	-	26,164	22,134
Repairs - Nurseries House	1,656	-	1,656	660
Salaries, NI and pension contributions	126,894	4,061	130,954	136,707
Depreciation	20,000	-	20,000	20,085
	246,072	4,061	250,133	256,094

ADMINISTRATION EXPENSES

Salaries, NI & pension contributions	321,473	3,134	324,607	252,672
Printing postage and stationery	25,619	-	25,619	32,026
Telephones	5,596	-	5,596	5,997
Travel, Training and entertaining	6	-	6	1,262
Finance expenses	117,676	-	117,676	63,691
Professional fees	70,571	-	70,571	37,605
Sundry expenses	5,485	1,959	7,444	8,409
Equipment	1,265	-	1,265	677
	547,691	5,093	552,784	402,339

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

6 ACCESS AND PARTICIPATION

	2021	
	Actuals	Per Plan
	£	£
Access Investment	11,430	11,430
Financial Support	45,619	59,000
Support for disabled students	0	0
Research and Evaluation	9,953	9,953
	<u>67,002</u>	<u>80,383</u>

7 GOVERNANCE COSTS

General Fund		12 months 2021 £	11 months 2020 £
Auditors' remuneration	Annual audit	15,540	9,000
	Prior year adjustment	1,666	6,250
		<u>17,206</u>	<u>15,250</u>
Governors' expenses reimbursed		30	1,238
		<u>17,236</u>	<u>16,488</u>

8 TANGIBLE FIXED ASSETS

For use by Charity	Properties £	Building improvements £	Equipment £	Assets Under Construction £	TOTAL £
Cost & Valuation					
At 1 st Aug 2020, as previously stated	1,298,000	241,016	269,046	663,610	2,471,672
Prior Year Adjustments (note 21)	-	(41,200)	-	16,727	(24,473)
At 1 st Aug 2020, as restated	1,298,000	199,816	269,046	680,337	2,447,199
Revaluation	7,500,000	-	-	-	7,500,000
Additions	550,000	-	12,514	279,982	842,496
At 31 st July 2021	9,348,000	199,816	281,560	960,319	10,789,695
Depreciation					
At 1 st Aug 2020, as previously stated	-	125,727	250,225	-	375,952
Prior Year Adjustment (note 21)	-	(20,428)	-	-	(20,428)
At 1 st Aug 2020, as restated	-	105,299	250,225	0	355,524
Charge for the period	-	17,322	8,230	-	25,552
At 31 st July 2021	-	122,621	258,455	-	381,076
Net Book Value					
At 1 st Aug 2020, as previously stated	1,298,000	115,289	18,821	663,610	2,095,720
Prior Year Adjustment (note 21)	0	(20,772)	-	16,727	(4,045)
At 1 st Aug 2020, as restated	1,298,000	94,517	18,821	680,337	2,091,675
At 31 st July 2021	9,348,000	77,195	23,105	960,319	10,408,619

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

Certain other properties owned by the College were transferred from the unincorporated Spurgeon's College in 2003. These properties together with 191 South Norwood Hill, were professionally valued at £2,085,500 as at 1st September 2014 by Matthew Waddams MRICS, Chartered Surveyor, and Kinleigh Folkard & Hayward on a fair value basis. The charity has taken advantage of the transition arrangements in FRS 102 to treat this value as deemed cost. In 2018, 22 Whitworth Road was sold, reducing the carrying value of residential property assets by £787,500 to £1,298,000.

In addition The College received a legacy receipt of a residential property with an estimated values of £550K. The net book value at 31st July 2021 represents fixed assets used for charitable purposes.

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

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

9 INVESTMENTS

a) Fixed interest and equity-based Investments

	General Fund £	General Bursary Fund £	Pringle Fund £	Vectis Fund £	Copley Fund £	Cudlip Fund £	Total £
At Valuation							
At 1 st August 2020	88,307	113,143	45,427	170,248	36,590	22,697	476,412
Purchases	16,053	23,096	9,273	34,753	7,469	-	90,644
Disposals	(15,109)	(21,739)	(8,728)	(32,710)	(7,030)	-	(85,316)
Gains	14,395	17,423	6,996	26,218	5,635	5,365	76,032
At 31 st July 2021	103,646	131,923	52,968	198,509	42,664	28,062	557,772
Represented by –							
Fixed interest securities	14,817	21,318	8,559	32,078	6,894	-	83,666
Equities	19,086	27,460	11,025	41,319	8,880	-	107,770
Investment & unit trusts	69,740	83,148	33,383	125,113	26,890	28,062	366,336
Value of Investments at Market Value	103,643	131,926	52,967	198,510	42,664	28,062	557,772
Securities at Historical Cost							
At 1st August 2020	79,480	98,736	39,641	148,568	31,930	28,628	426,983
At 31st July 2021	83,984	105,218	42,244	158,322	34,026	28,628	452,422

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

10 DEBTORS

	2021 £	2020 £
Amounts falling due within one year	200,287	191,026
Trade debtors	27,423	21,346
Gift Aid receivable	127,945	53,446
Prepayments	5,177	2,000
Sundry debtors		
	<u>360,832</u>	<u>267,818</u>

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021 (continued)

11 CREDITORS

	2021 £	2020 £
a. Amounts falling due within one year		
Loans	546,060	20,919
Other Creditors & Accruals	258,859	189,520
Taxation and Social Security	21,758	20,447
Fees received in advance	65,524	74,072
	<u>892,201</u>	<u>304,958</u>
b. Amounts falling due after one year		
Loan	<u>2,256,050</u>	<u>2,299,101</u>

There are two interest-bearing loans: the first is for 15 years, repayable monthly, with interest charged at 300 basis points over the Bank of England base rate and secured by way of fixed charge on 191 South Norwood Hill, the remaining term is 12 years; and the second is interest only for 5 years with interest charged at 500 basis points over the Bank of England base rate and secured by way of fixed charge on the College's site, 189 South Norwood Hill, the remaining term is 3 years. See note 18 for additional information in relation to these loans.

12 TRANSFERS BETWEEN FUNDS

Transfer from Restricted Funds to General Fund

The Cudlip Income Fund balance at 1st August 2020 of £773 has been transferred to the General Fund following a review of the terms of the Cudlip Legacy (Endowment). This review identified that there was no restriction on the use of the income from the endowment.

Transfers from Endowment Funds to General Fund

£18,243 of the cash balances held at Rathbones, investment broker, were reallocated on 1 August 2020 from endowment funds to the General Fund when a review identified that the endowment fund balances had historically included part of the income cash accounts, whereas the endowment funds only have a share in the capital cash accounts at the broker.

13 RESTRICTED FUNDS

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

SPURGEON'S COLLEGE

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

Movements in comparative period (11 months)

	Fund Balance 1st September 2019 £	Income £	Expenditure £	Fund Balance 31st July 2020 £
Frank Fitzsimmonds Bursary Fund	28,200	-	(7,200)	21,000
Baptist Union Bursary (restated, Note 21)	26,125	76,384	(70,221)	32,288
General Bursary - Income	6,664	3,314	-	9,978
Pringle Bursary - Income	9,291	1,605	-	10,896
Vectis Fund - Income	16,486	4,986	(2,000)	19,472
Copley Fund - Income	6,667	1,072	-	7,739
Lamplighters Bursary	348	22,690	(4,901)	18,137
Conference Communion	174	-	-	174
Nott Fund	414,966	1,496	(4,449)	412,013
Restricted Gifts	21,733	3,420	(8,903)	16,250
Oversea Student	600	-	-	600
Learning Support	4,946	1,030	(4,406)	1,570
Pioneer Project	31,146	-	(24,317)	6,829
Principal's fund	800	4,229	(2,641)	2,388
Student Rep	2,286	67	(48)	2,305
Birmingham Fund	4,673	-	(4,673)	-
Cudlip Income	773	-	-	773
EBA Hardship fund		5,000	(2,400)	2,600
Theology of Law Course		500	-	500
	575,878	125,793	(136,159)	565,512

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

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

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

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

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

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

Restricted Gift Fund - This includes gifts towards specific projects.

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

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

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

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

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

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

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

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

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

SPURGEON'S COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)**

14 ENDOWMENT FUNDS

	Fund Balance 1st August 2020	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains	Fund Balance 31st July 2021
	£	£	£	£	£
General Bursary	133,866	(15,131)	(1,826)	17,423	134,332
Pringle Bursary	52,716	(5,045)	(733)	6,996	53,934
Vectis Fund	176,819	1,843	(2,748)	26,218	202,132
Copley Fund	38,308	90	(591)	5,635	43,442
Cudlip Legacy	22,697	-	-	5,365	28,062
	<u>424,406</u>	<u>(18,243)</u>	<u>(5,898)</u>	<u>61,637</u>	<u>461,902</u>

Movements in comparative period (11 months)

	Fund Balance 1st September 2019	Transfer (to)/from General Fund	Investment Management Charges	Investment Gains/(Losses)	Fund Balance 31st July 2020
	£	£	£	£	£
General Bursary	147,189	-	(1,801)	(11,522)	133,866
Pringle Bursary	56,065	-	(723)	(4,626)	50,716
Vectis Fund	196,866	-	(2,711)	(17,337)	176,818
Copley Fund	42,617	-	(582)	(3,726)	38,309
Cudlip Legacy	29,897	-	-	(5,200)	24,697
	<u>472,634</u>	<u>-</u>	<u>(5,817)</u>	<u>(42,411)</u>	<u>424,406</u>

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

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

Pringle Bursary - This fund is an endowment established in memory of David Pringle to provide assistance with fees and charges for a pastoral studies student not otherwise receiving any financial assistance from public funds. Preference is to be given to a student normally resident in the area of the former Lancashire & Cheshire Baptist Association (now the North Western Baptist Association).

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

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

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

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

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

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General	Restricted	Endowment	Total 2021
	£	£	£	£
Tangible fixed assets	10,022,619	386,000	-	10,408,619
Investments	103,646	-	454,126	557,772
Cash at bank and in hand	29,994	171,184	7,776	208,954
Other net Current Assets	296,270	-	-	296,270
Long term creditor	(2,256,050)	-	-	(2,256,050)
Provisions for liabilities	(79,475)	-	-	(79,475)
	<u>8,117,004</u>	<u>557,184</u>	<u>461,902</u>	<u>9,136,090</u>

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021 (continued)

16 STAFF COSTS OF PERMANENT EMPLOYEES		12 months 2021 £	11 months 2020 £
Salaries		1,059,148	898,758
National Insurance costs		93,144	86,746
Pension costs	Scottish Life - 13 (17) members	36,595	36,764
	Baptist Pension Scheme - 18 (13) members	49,050	35,096
		<u>1,237,937</u>	<u>1,057,364</u>

The average weekly number of employees during the year, calculated on a full-time equivalent basis, was 34 (2020: 41). The Average head count was 56 (2020: 47). No employee received remuneration of more than £60,000 in the current or prior year.

The salary, employer's national insurance and pension contributions paid during the year in respect of the College Principal (who is also a Governor of the college), in respect of his teaching and administrative duties, as authorised by the Articles of Association, amounted to £46,395 (2020: £46,669).

The cost of employment of key management staff which includes Salary, National Insurance and Pension Contributions amounted to £145,714 (2020: £130,055). The key management staff include Vice Principal (Academic Director), Vice Principal (Director of Ministerial Formation) and the Chief Operating Officer.

During the year to 31st July 2021, the College made pension contributions in respect of 13 members of staff (2020: 17) into a defined contribution pension scheme where the assets are held separately from those of the Charity in independently administered funds.

The College also participates, on behalf of another 18 (2020: 13) members of staff, as an employer in the Baptist Pension Scheme ("the Scheme"), which is administered by the Pension Trustee (Baptist Pension Trust Limited). The scheme is a separate legal entity and the assets of the scheme are held separately from those of the Employer and the other participating employers.

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st JULY 2021 (continued)

16 STAFF COSTS OF PERMANENT EMPLOYEES (continued)

Actuarial Valuation as at 31st December 2019

A formal valuation of the Defined Benefit (DB) Plan was performed at 31 December 2019 by a professionally qualified Actuary using the Projected Unit Method. The market value of the DB Plan assets at the valuation date was £298 million. The valuation of the DB Plan revealed a deficit of assets compared with the value of liabilities of £18 million (equivalent to a past service funding level of 94%). As a result of the valuation, in addition to the contributions to the Defined Contribution Plan set out above, it was agreed that the standard rate of deficiency contributions from churches and other employers involved in the DB Plan will remain at previously agreed levels, increasing each year in line with increases in the Minimum Pensionable Income. The deficiency contributions are broadly based on 12% of Pensionable Income / Minimum Pensionable Income, reflecting each employer's contributions in March 2015. Some employers that were involved in the DB Plan for a short period pay lower contributions. The Trustee and the Council agreed a 50% reduction for all deficiency contributions payable between 1st July 2020 to 31st December 2020.

In addition, the Baptist Union of Great Britain agreed to contribute a lump sum of £0.5m by 31st December 2020. The current Recovery Plan dated 30th September 2020 envisages deficiency contributions continuing until 30th June 2026.

Movement in Balance Sheet liability

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

	2021	2020
	£	£
Balance sheet liability at the start of the year	85,962	98,813
Minus deficiency contributions paid	(11,875)	(12,851)
Plus increase in provision for changed assumptions and contribution rates	5,388	-
Balance sheet liability at the end of the period	<u>79,475</u>	<u>85,962</u>

The key financial assumptions underlying the valuation were as follows:

Type of assumption	% pa
RPI price inflation assumption	3.20
CPI price inflation assumption	2.70
Minimum Pensionable Income increases (CPI plus 0.75% pa)	3.20
Assumed investment returns	
Pre-retirement	2.95
Post-retirement	1.70
Deferred pension increases	
Pre April 2009	3.20
Post April 2009	2.50
Pension increases	2.70

The next actuarial valuation of the DB Plan within the scheme is due to take place not later than 31st December 2022.

17 GOVERNORS' REMUNERATION AND LOANS

Governors are not paid for their services as governors (except as regards the College Principal – see note 16 on the previous page). Reimbursements of £30 (2020: £1,238) were paid to four governors for directly incurred travel and other expenses. None of the governors had any loans.

18 RELATED PARTY TRANSACTIONS

The College Principal is also a Baptist Union trustee. The College has a £350,000 15yr repayment and £2,000,000 5 yr interest only loan with the Baptist Union Corporation. The 15yr and 5yr loans are secured by way of fixed charge over the College's property 191 South Norwood Hill and 189 South Norwood Hill and interest is charged at the Bank of England Base Rate plus 300 and 500 basis points, respectively. The total amount outstanding as at 31st July 2021 were £300,059 (2020: £320,996) and £1,977,051 (2020: £1,999,023). The College also received Baptist Union grant money for the year totalling £76,384 (2020: £32,687).

During the year the charity obtained loans totalling £200,000 from 2 members of staff, deemed to be key management personnel of the charity.

No interest is charged on these amounts and they are repayable on the sale of Raleigh Park Baptist Church, Arode Road, London, SW2 2BH or if the college becomes insolvent.

See note 22 (Post balance sheet events) for further information relating to additional loans made after the year end.

19 STATUS OF THE COMPANY

The company is limited by guarantee. The number of members of the Council at the year end was 36 (2020: 36). In the event of a winding-up of the company, the maximum liability of each Council member is £10.

SPURGEON'S COLLEGE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st JULY 2021 (continued)

20 COMMITMENTS UNDER OPERATING LEASES

At 31st July 2021 the college was committed to making the following payments for operating leases:

Within:	2021 £	2020 £
Less than One Year	15,834	22,121
In two to five years	10,040	28,350
Greater than five years	22	-
	<u>25,896</u>	<u>50,471</u>

21 PRIOR YEAR ADJUSTMENTS

A review of the opening balances for the year, and comparison of current year financial activity with the prior year's reported activity, has identified a number of areas requiring adjustment:

1) Fixed Assets Building Improvements included the cost in 2010/11 of replacement roof and windows for a property at 22 Whitworth Road. This cost was being depreciated over 20 years, but was not written off when the property was sold in 2018. The net book value at 31 August 2019 and 31 July 2020 and the depreciation charge for the year 2019/20 need to be removed.

2) Gift Aid tax reclaims have not been submitted in recent years and the amounts receivable have not been calculated and accrued until this year. A prior year adjustment is required for the income due for the year 2019/20 and the balance of claims due since 2017/18.

3) Until this year, funds received from the Baptist Union to be allocated by the College as bursaries to Ministerial students have been held in a creditor account before allocation, but they are now accounted for as a restricted fund. Income and expenditure was not therefore recognised in prior years, requiring adjustment now.

Therefore prior year adjustments have been made to the Statement of Financial Activities and the Balance Sheet. Details of the adjustments are given below:

Statement of financial activities	2021 £	2020 £
Balance of Funds at 1st September 2019 as previously stated		2,573,995
Remove net book value of building improvements (1)		(22,660)
Accrue Gift Aid income up to 31 August 2019 (2)		15,128
Reallocate creditor to a restricted fund for bursaries (3)		<u>26,125</u>
Balance of Funds at 1st September 2019 as restated		<u>2,592,588</u>
Total income from donations and legacies for the period to 31st July 2020 as previously stated		338,565
Accrue Gift Aid income for the period to 31 July 2020 (2)		6,218
Recognise donation income to a restricted fund for bursaries (3)		<u>76,384</u>
Total income from donations and legacies for the period to 31st July 2020 as restated		<u>421,167</u>
Total expenditure on charitable activities for the period to 31st July 2020 as previously stated		1,888,903
Capitalise property development costs as fixed asset (3)		(16,727)
Remove depreciation of building improvements (1)		(1,888)
Recognise bursary expense from a restricted fund for bursaries (3)		<u>70,221</u>
Total expenditure on charitable activities for the period to 31st July 2020 as restated		<u>1,940,509</u>
Net movement in funds at 31st July 2020 as previously stated		(646,225)
Capitalise property development costs as fixed asset (3)		16,727
Remove depreciation of building improvements (1)		1,888
Accrue Gift Aid income for the period to 31 July 2020 (2)		6,218
Recognise net movement on restricted fund for bursaries (3)		<u>6,163</u>
Net movement in funds at 31st July 2020 as restated		<u>(615,229)</u>
Balance of Funds at 1st August 2020 as previously stated	1,927,770	
Capitalise property development costs as fixed asset (3)	16,727	
Remove net book value of building improvements (1)	(20,772)	
Accrue Gift Aid income up to 31 July 2020 (2)	21,346	
Reallocate creditor to a restricted fund for bursaries (3)	<u>32,288</u>	
Balance of Funds at 1st August 2020 as restated	<u>1,977,359</u>	

SPURGEON'S COLLEGE**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31st JULY 2021 (continued)****Balance Sheet**

Tangible Fixed Assets as previously stated	2,095,720
Capitalise property development costs as fixed assets (3)	16,727
Remove net book value of building improvements (1)	(20,772)
Tangible Fixed Assets as restated	<u>2,091,675</u>
Investments as previously stated	<u>476,412</u>
	<u>476,412</u>
Current Asset, Debtors & Prepayments, as previously stated	246,472
Accrue Gift Aid income up to 31 July 2020 (2)	21,346
Current Asset, Debtors & Prepayments, as restated	<u>267,818</u>
Creditors & Accruals as previously stated	263,174
Reallocate creditor balance to a restricted fund (3)	(32,288)
Creditors & Accruals as restated	<u>230,886</u>

22 POST BALANCE SHEET EVENTS

The College is in the process of selling a property being Raleigh Park Baptist Church, Arodene Road, London, SW2 2BH in order to improve the College's short term cash flow position. This is shown on the balance sheet as a current asset under property to be sold with expected proceeds of £1,650,000.

Based upon post year end discussions and recent correspondence finalising administrative elements, including the purchaser passing a resolution in relation to a right to light legal easement, which has now been signed on the 8th March 2022 the charity and senior management are confident of selling the property imminently.

The sale contract then states completion of sale is within 15 days, however up to the date of signing these financial statements completion has not occurred.

In December 2021 Baptist Union Corporation granted a loan of £400,000 to the College as a closed bridging loan secured against Raleigh Park Baptist Church. In February 2022 the Baptist Union Corporation replaced that loan with a £1,000,000 closed bridging loan secured against Raleigh Park Baptist church, which is repayable when the sale is completed at a current variable interest rate of 7% plus bank standard rate.

In March 2021 Baptist Union Corporation granted a further loan of £325,000 to the College as a closed bridging loan secured against 76 South Norwood Drive, London, SE25 6AQ at a current variable interest rate of 7% plus bank standard rate. At the date of signing these financial statements, this has not been countersigned by the College.

Additional personal loans totalling £107,000 were given to the charity by governors on 30th September 2021 and 19th November 2021.

No interest is charged on these amounts and they are repayable on the sale of Raleigh Park Baptist Church, Arodene Road, London, SW2 2BH or if the college becomes insolvent.