

Registered number: 3143237
Charity number: 1052494

NEWBOLD COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

NEWBOLD COLLEGE
(A company limited by guarantee)

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The following pages do not form part of the statutory financial statements:

NEWBOLD COLLEGE
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TRUSTEES
FOR THE YEAR ENDED 31 DECEMBER 2012

Governors

Bertil Wiklander, Chair
Ian Sweeney, Vice Chair
Philip Brown, Secretary
Kwao T Abbequaye
Wim Altink
Audrey Andersson
Kalervo Aromäki
Branko Bistrovic
Samuel Davis
Brian Davison
Styrkår Dramstad
Daniel Duda
Ingaliil Gimbler Berglund
Jóhann E Jóhannsson
Raafat Kamal
János Kovács-Biró
Reidar Johansen Kvinge
Pawel Lazar
Thomas Muller (appointed 13 May 2012)
Younis Noor (resigned 31 January 2012)
Tamas Ocsai
Bjørn Ottesen (resigned 13 May 2012)
Anne Pilmoor
Berton Samuel
Robert Sjolander
Paul Tompkins
Kristel Tonstad
Djordje Trajkovski
Carsten Waern
Valdis Zilgalvis

NEWBOLD COLLEGE
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Company registered number

3143237

Charity registered number

1052494

Registered office

St Marks Road Binfield, Bracknell, Berks, RG42 4AN

Auditors

Colledge Redfern, New Colledge House, 2, Nascot Street, Watford, Herts, WD17 4RB

Bankers

HSBC Bank Ltd, Bracknell, Berks, RG12 1DN

NEWBOLD COLLEGE
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The Governors (who are also directors of the Charity for the purposes of the Companies Act) submit their annual report and the audited financial statements of Newbold College of Higher Education (the Company) for the year ended 31 December 2012. The Governors confirm that the annual report and financial statements of the Company comply with current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. CONSTITUTION

The Company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 03 January 1996, much later than its start in 1901 as an institution of higher education.

The company's mission is to foster a Christ-centred and diverse learning community that prepares students for service in an ever-changing world. This includes, but is not limited to, training pastors and other professionals for employment by the Seventh-day Adventist Church in Europe.

There have been no changes in the objectives since the last annual report.

b. METHOD OF APPOINTMENT OR ELECTION OF GOVERNORS

The management of the Company is the responsibility of the Governors. Governors come from within the British Isles and forty neighbouring nations, reflecting the diversity of the student body.

c. ORGANISATIONAL STRUCTURE AND DECISION MAKING

The Board is a governing and policy-making body, which is responsible for formulating and adopting the strategy for the College as well as setting key performance indicators. It is not responsible for the day-to-day running of the College. Its work is to balance the need of conformance (i.e. compliance with legislation, regulation and codes of practice - both within the church and academia) with performance (i.e. improving the performance of the organisation through strategy formulation and policy-making). Scheduled meetings are normally held twice per year, in May and November.

The Executive Committee of the Board of Governors acts on behalf of the Board of Governors and makes decisions on major operational matters based on the recommendations received from Board sub-committees, and the College Principal. The Executive Committee meets about six times annually between the dates of the scheduled full Board meetings.

The TED endorses the Board's appointment of the Principal and his role is critical to ensuring effective College governance. As the link between Board and management, he is responsible for ensuring that policies are implemented on a day-to-day basis. The Principal communicates the strategy and KPIs to College management that comprises the Deputy Principal, Bursar and Director of Student Services and is responsible for reporting back to the Board. His regular reports should enable the Board to monitor organisational performance. The Principal is the only employee of the College that has voice and vote at Board meetings. Although the Principal is the link between Board and management, the Board is responsible for good governance by ensuring that sound systems of risk management and robust internal controls are in place throughout the College organisation.

d. RELATED PARTY RELATIONSHIPS

The Company is owned by the Trans-European Division of the General Conference of Seventh-day Adventists. The TED supports the company with core funding and management consultation.

e. RISK MANAGEMENT

The Governors have assessed all risks to which the Company is exposed, both from internal and external sources and are satisfied that systems and procedures are in place to mitigate the Company's exposure to possible jeopardy.

NEWBOLD COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

OBJECTIVES AND ACTIVITIES

a. POLICIES AND OBJECTIVES

The main strategic objective of Newbold College of Higher Education are to: promote and mentor the spiritual growth of students and staff; promote opportunities for service to meet human needs; provide high quality, creative and challenging learning opportunities; and nurture and support students throughout their learning experience. Further, it is important to the College that it fills the needs of the Seventh-day Adventist Church in Europe for educated pastors and lay people. This is achieved by educational experiences that enhance all aspects of student life – the mental, physical, emotional, environmental and spiritual. During the year ending 31 December 2012 the College offered undergraduate, postgraduate and research degrees and other programmes, including but not limited to business, arts and humanities, media arts, English for speakers of other languages, theology and social studies.

b. STRATEGIES FOR ACHIEVING OBJECTIVES

The College aims to deliver educational experiences of the highest quality and at the most manageable costs possible. The Board of Governors and the Administration of the Company actively seek to celebrate diversity in its many forms, value each individual and ensure that each member of academic and professional services and students find joy in their work and association together.

Our strategies include: developing cohesive overarching whole of college action plans; ensuring sustainability in the College's academic programmes and operations; attracting and developing quality staff; implementing a three-year budget framework and five-year financial and capital plans; building robust international enrolments; developing property holdings to increase income; building commercially astute and profitable College businesses; building productive relationships with alumni and potential sponsors; and applying understanding of and respect for cultural differences in diverse environments.

c. ACTIVITIES FOR ACHIEVING OBJECTIVES

The College is organised to accomplish its objectives in the following manner:

1. Offer a range of academic programmes developed in response to market demands and within the mission of the College;
2. Organise academic departments to deliver a variety of quality programmes under the aegis of the Academic Board, thereby maintaining the highest assurances of quality;
3. Regularly achieve accreditation and validation of all programmes within an appropriate higher education context and through the Accrediting Association of Seventh-day Adventist Schools, Colleges and Universities;
4. Challenge students to peak performance;
5. Maintain student services with particular responsibility for the social, emotional and spiritual welfare of all students – whether single, married, with children, residing on or off campus.
6. Develop balanced budgets and maintain timely and accurate financial reports with the goal of acceptable levels of accounts receivable and payable; achieve reasonable reserves, net worth and liquidity and working capital; honouring the intent of restricted endowed and special funds; giving oversight to inventories.
7. Continually cultivate associations with alumni and other prospective supporters so as to expand support for maintenance of the College's goals – recruiting the highest quality staff, educating energised and insightful students that will be service-oriented, offering educational experiences in a premier structural setting (buildings and classrooms).

ACHIEVEMENTS AND PERFORMANCE

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

NEWBOLD COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

b. REVIEW OF ACTIVITIES

This report covers the period 01 January 2012 to 31 December 2012.

1. Last year's report mentioned that for political reasons emanating from the Welsh Assembly and HEFCW, whereby Welsh funding would no longer be used to support Welsh universities' non-Welsh partnerships, the College needed to move elsewhere for its academic partners within the UK. During the year under review the College sought and obtained institutional approval from the University of Winchester. However, for strategic reasons the University decided towards the end of 2012 not to accept any new partner institutions and thus elected not to proceed to the validation of programmes at the College. Nevertheless the College had already forged a partnership for its Theology degrees with Theologische Hochschule Friedensau, which is accredited by the Kulturministerium of Sachsen-Anhalt in Germany and will thus confer BA and MA degrees for Newbold College of Higher Education students.

2. Through its partnership with the University of Wales Trinity Saint David, the College continued to offer a bachelor's degree in Business Management, with teach-out to be completed in 2013, and oversaw the teaching out of all the Theology programmes offered through that arrangement. Since September 2012 all Theology credits have been offered through Friedensau or through Andrews University, Michigan, USA. Doctoral students are now registered directly with the University of Wales Trinity Saint David.

3. The College underwent a successful interim accreditation event from the Accrediting Association of Seventh-day Adventist Schools, Colleges and Universities.

4. The College underwent a review for educational oversight by the Quality Assurance Agency for Higher Education (QAA) and has received its final report, which is available in full at: www.qaa.ac.uk/InstitutionReports/Reports/Pages/REO-Newbold-12.aspx. We have received the following judgements from QAA:

- The review team has confidence in Newbold College of Higher Education's management of its responsibilities for the standards of the awards it offers on behalf of its awarding body.
- The review team has confidence that Newbold College of Higher Education is fulfilling its responsibilities for managing and enhancing the quality of the intended learning opportunities it provides for students.
- The review team concludes that reliance can be placed on the accuracy and completeness of the information that Newbold College of Higher Education is responsible for publishing about itself and the programmes it delivers.

5. The College attended UKBA/BAC/QAA seminars in its endeavours to comply with new immigration regulations, obtaining a UKBA Highly Trusted Sponsor Licence for Tiers 2, 4 and 5. To this end it sought to comply with all legislation regarding CAS (Confirmation of Acceptance for Studies), timetabling, and attendance.

6. During 2012 the College received £1,665,665 in donations. Additionally the College generated income in the amount of £12,308 through conferencing to support operations and worthy-student scholarships.

c. FACTORS RELEVANT TO ACHIEVE OBJECTIVES

Important factors of Newbold's success are the professional success of its graduates and word-of-mouth by satisfied students and dedicated staff. The Government's restrictions on UK entry makes it increasingly challenging for students to obtain visas to enter the country and study at Newbold College of Higher Education.

NEWBOLD COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL REVIEW

a. RESERVES POLICY

The reserves policy of Newbold College of Higher Education is that a working capital of 20% of the annual operating expense, in addition to allocated funds, be maintained. This remains a target, yet to be achieved.

b. FUTURE FUNDING & FINANCIAL SUPPORT

The College relies upon its owner, the Trans-European Division of the General Conference of Seventh-day Adventists, to supplement its income, just as most universities in the UK are reliant upon government support. The aim, however, is to grow much more financially self-sufficient through donations, endowments and creating funding streams beyond that of tuition.

PLANS FOR THE FUTURE

a. FUTURE DEVELOPMENTS

1. The Governors intend to continue meeting the Company's objectives by operating this College of Higher Education.
2. Rigorous steps have been taken to improve cash flow and working capital to ensure the survival of institution.
3. Further upgrade of the physical plant and campus renewal initiatives have been prioritised which will be funded through asset management and development.
4. The restoration of the Moor Close Gardens continues.

NEWBOLD COLLEGE
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Newbold College for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROVISION OF INFORMATION TO AUDITORS

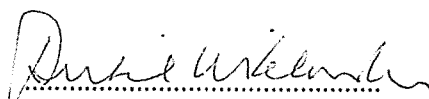
So far as each of the Governors are aware at the time the report is approved:

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

AUDITOR

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006

This report was approved by the Governors on 19 May 2013 and signed on their behalf by:


.....
Bertil Wiklander
Chair of the Board of Governors

NEWBOLD COLLEGE
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF NEWBOLD COLLEGE

We have audited the financial statements of Newbold College for the year ended 31 December 2012 which comprise the Statement of financial activities, the Summary income and expenditure account, the Statement of total recognised gains and losses, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

The Governors have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 144 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards - Provisions Available for Small Entities, in the following circumstances:

- In common with many other businesses of this size and nature, the company uses our firm to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

NEWBOLD COLLEGE
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INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF NEWBOLD COLLEGE

OPINION ON FINANCIAL STATEMENTS

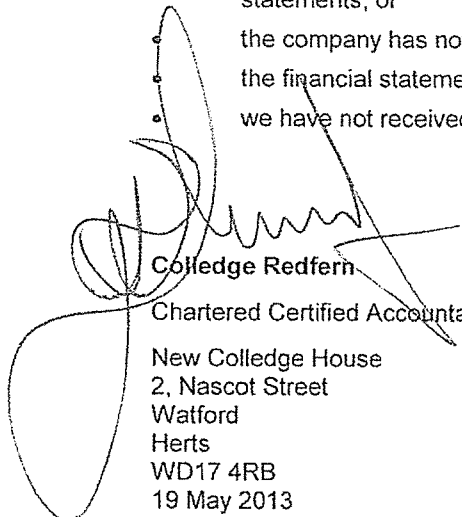
In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governors' report is inconsistent in any material respect with the financial statements; or
- the company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Colledge Redfern

Chartered Certified Accountants & Registered Auditors

New Colledge House
2, Nascot Street
Watford
Herts
WD17 4RB
19 May 2013

Colledge Redfern are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

NEWBOLD COLLEGE
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Major sources of voluntary income	2	-	-	1,416,243	1,416,243	1,261,159
Other voluntary income	2	1,772	226,539	21,111	249,422	140,951
Activities for generating funds	3	-	-	12,308	12,308	4,428
Investment income	4	-	5,682	845	6,527	5,202
Incoming resources from charitable activities	5	166	-	2,014,644	2,014,810	2,078,338
TOTAL INCOMING RESOURCES		1,938	232,221	3,465,151	3,699,310	3,490,078
RESOURCES EXPENDED						
Charitable activities	12	46,179	212,382	3,429,033	3,687,594	3,474,884
Governance costs	8	-	-	6,000	6,000	6,000
TOTAL RESOURCES EXPENDED	11	46,179	212,382	3,435,033	3,693,594	3,480,884
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS		(44,241)	19,839	30,118	5,716	9,194

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STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Transfers between Funds	22	675,121	31,341	(706,462)	-	-
NET INCOMING RESOURCES BEFORE INVESTMENT ASSET DISPOSALS		630,880	51,180	(676,344)	5,716	9,194
Gains and losses on disposals of investment assets		-	-	-	-	237,132
NET INCOMING RESOURCES BEFORE REVALUATIONS		630,880	51,180	(676,344)	5,716	246,326
Gains and losses on revaluations of fixed assets for the charity's own use	16	-	-	-	-	3,817,425
Gains and losses on revaluations of investment assets		-	-	-	-	1,188,870
NET MOVEMENT IN FUNDS FOR THE YEAR		630,880	51,180	(676,344)	5,716	5,252,621
<i>Total funds at 1 January 2012</i>		<i>1,721,655</i>	<i>575,414</i>	<i>5,383,330</i>	<i>7,680,399</i>	<i>2,427,778</i>
TOTAL FUNDS AT 31 DECEMBER 2012		2,352,535	626,594	4,706,986	7,686,115	7,680,399

All activities relate to continuing operations.

The notes on pages 15 to 30 form part of these financial statements.

NEWBOLD COLLEGE
(A company limited by guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
TOTAL INCOME		232,221	3,465,151	3,697,372	3,490,078
LESS: TOTAL EXPENDITURE		212,382	3,435,033	3,647,415	3,444,313
Net income for the year before transfers		19,839	30,118	49,957	45,765
Transfers between funds	22	31,341	(706,462)	(675,121)	542,538
Income less expenditure for the year		51,180	(676,344)	(625,164)	588,303
NET INCOME / (EXPENDITURE) FOR THE YEAR	22	<u>51,180</u>	<u>(676,344)</u>	<u>(625,164)</u>	<u>588,303</u>

The notes on pages 15 to 30 form part of these financial statements.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
NET INCOME / (EXPENDITURE) FOR THE YEAR	22	630,880	51,180	(676,344)	5,716	246,327
Gains and losses on revaluations of fixed assets for the charity's own use		-	-	-	-	3,817,425
Gains and losses on revaluations of investment assets		-	-	-	-	1,188,870
TOTAL GAINS AND LOSSES RECOGNISED SINCE 1 JANUARY 2012	22	<u>630,880</u>	<u>51,180</u>	<u>(676,344)</u>	<u>5,716</u>	<u>5,252,622</u>

There is no difference between the income/(expenditure) on ordinary activities for the year stated above and its historical cost equivalent.

The notes on pages 15 to 30 form part of these financial statements.

NEWBOLD COLLEGE
(A company limited by guarantee)
REGISTERED NUMBER: 3143237

BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible assets	16		6,330,899		5,524,155
Investment property	17		1,223,295		1,200,000
			7,554,194		6,724,155
CURRENT ASSETS					
Fixed assets held for sale		-		646,711	
Stocks	18	61,113		45,608	
Debtors	19	253,570		274,791	
Cash at bank and in hand		389,247		503,427	
			703,930	1,470,537	
CREDITORS: amounts falling due within one year	20	(566,744)		(498,581)	
NET CURRENT ASSETS			137,186		971,956
TOTAL ASSETS LESS CURRENT LIABILITIES			7,691,380		7,696,111
CREDITORS: amounts falling due after more than one year	21		(5,265)		(15,712)
NET ASSETS			7,686,115		7,680,399
CHARITY FUNDS					
Endowment funds	22		2,352,535		1,721,655
Restricted funds	22		626,594		575,414
Unrestricted funds	22		4,706,986		5,383,330
TOTAL FUNDS			7,686,115		7,680,399

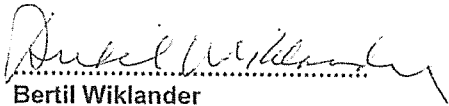
The Governors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act. However, an audit is required in accordance with section 144 of the Charities Act 2011.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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BALANCE SHEET (continued)
AS AT 31 DECEMBER 2012

The financial statements were approved by the Governors on 19 May 2013



Bertil Wiklander
Governor

The notes on pages 15 to 30 form part of these financial statements.

NEWBOLD COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 COMPANY STATUS

The company is a company limited by guarantee. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

1.3 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors which have been raised by the company for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

1.4 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

NEWBOLD COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.5 RESOURCES EXPENDED

All expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Support costs are those costs incurred directly in support of expenditure on the objects of the company and include project management carried out at Headquarters. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £500 are capitalised.

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Functional Land & Buildings	-	1.3% straight line
Fixtures & fittings	-	5% to 20% straight line
Other Land & Buildings	-	Not Depreciated - disclosed at valuation

1.7 CLASSIFICATION OF LAND & BUILDINGS

Functional Properties - Land & Buildings held for the primary purpose of the charity, the Newbold College Campus, Lecture halls, Library, Administrative Buildings and Student Halls of Residence, are considered to be effectively endowment assets and are shown at cost less attributable depreciation.

Other Properties - Land & Buildings not held for the primary purpose of the charity but held by the charity for its own general purposes and not for their investment potential, comprising mainly tenanted domestic dwellings are shown at valuation in accordance with FRS 15 as modified by the Charities SORP.

Investment Property - Land and Buildings held as investments for the purpose of generating income either by way of rents or development and eventual sale are shown at current market value.

1.8 INVESTMENT PROPERTIES

Investment properties are included in the Balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the Governors, necessary in order to give a true and fair view of the financial position of the company.

NEWBOLD COLLEGE
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1. ACCOUNTING POLICIES (continued)

1.9 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.10 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.11 PENSIONS

The company operates a defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

2. VOLUNTARY INCOME

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	<i>Total funds 2011 £</i>
Regular grants from parent organisation	-	-	700,598	700,598	730,741
Special grants from parent organisation	-	-	715,645	715,645	530,418
Subtotal detailed disclosure	-	-	1,416,243	1,416,243	1,261,159
Donations	1,772	134,539	21,111	157,422	62,445
Student Support Grants	-	92,000	-	92,000	78,506
Subtotal	1,772	226,539	21,111	249,422	140,951
Voluntary income	1,772	226,539	1,437,354	1,665,665	1,402,110

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

3. FUNDRAISING INCOME

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Income from conferences	-	-	12,308	12,308	4,428

4. INVESTMENT INCOME

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Cash deposits in the UK & exchange rate gains	-	5,682	845	6,527	5,202

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Fees from students	166	-	2,014,644	2,014,810	2,078,338

6. GRANTS TO INDIVIDUALS

	Number	Total 2012 £	Number	Total 2011 £
Christian tertiary education	69	102,625	52	71,743

7. EXPENDITURE BY CHARITABLE ACTIVITY

SUMMARY BY FUND TYPE

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Christian tertiary education	46,179	212,382	3,429,033	3,687,594	3,474,884

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

7. EXPENDITURE BY CHARITABLE ACTIVITY (continued)

SUMMARY BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Christian tertiary education	1,661,122	119,616	1,906,856	3,687,594	3,474,884

8. GOVERNANCE COSTS

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Auditors' remuneration	-	-	6,000	6,000	6,000

9. DIRECT COSTS

	Christian tertiary education £	Total 2012 £	Total 2011 £
Travel	9,288	9,288	10,472
Other staff costs	22,599	22,599	15,356
Repairs and maintenance	844	844	2,779
Other accommodation costs	10,017	10,017	5,361
Office costs	2,250	2,250	2,446
Supplies	62,468	62,468	61,426
Exchange differences	9,131	9,131	13,657
Student expenses	204	204	335
Wages and salaries	580,570	580,570	680,059
National insurance	60,072	60,072	73,908
Pension cost	60,157	60,157	67,706
Depreciation	1,676	1,676	1,539
	<u>819,276</u>	<u>819,276</u>	<u>935,044</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

10. SUPPORT COSTS

	Christian tertiary education £	Total 2012 £	Total 2011 £
Travel	37,792	37,792	29,254
Other staff costs	211,782	211,782	77,497
Administration	103,383	103,383	140,296
Repairs and maintenance	431,412	431,412	199,406
Other accommodation costs	422,262	422,262	375,515
Office costs	48,478	48,478	39,707
Publicity	52,507	52,507	19,660
Supplies	244,278	244,278	213,458
Interest	12,415	12,415	14,267
Legal and professional	44,607	44,607	56,799
Student expenses	78,514	78,514	80,250
Wages and salaries	786,544	786,544	924,570
National insurance	86,944	86,944	98,969
Pension cost	86,835	86,835	106,501
Depreciation	117,940	117,940	91,948
	<u>2,765,693</u>	<u>2,765,693</u>	<u>2,468,097</u>

11. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Christian tertiary education	1,661,122	119,616	1,906,856	3,687,594	3,474,884
Governance	-	-	6,000	6,000	6,000
	<u>1,661,122</u>	<u>119,616</u>	<u>1,912,856</u>	<u>3,693,594</u>	<u>3,480,884</u>

12. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES

	Activities undertaken directly 2012 £	Grant funding of activities 2012 £	Support costs 2012 £	Total 2012 £	Total 2011 £
Christian tertiary education	819,276	102,625	2,765,693	3,687,594	3,474,884

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

13. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2012	2011
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	119,616	93,486
Auditors' remuneration	6,000	6,000
Internal audit costs	-	-
	-	-

14. STAFF COSTS

Staff costs were as follows:

	2012	2011
	£	£
Wages and salaries	1,367,114	1,538,234
Social security costs	147,016	172,878
Other pension costs	146,992	174,207
	1,661,122	1,885,319

The average monthly number of employees during the year was as follows:

	2012	2011
	No.	No.
Education	22	31
Management	25	18
	47	49

No employee received remuneration amounting to more than £60,000 in either year.

15. GOVERNORS' REMUNERATION

	31 December 2012	31 December 2011
	£	£
Phil Brown	59,984	18,322

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

16. TANGIBLE FIXED ASSETS

	Functional Land & Buildings £	Other Land & Buildings £	Fixtures Fittings & Equipment £	Total £
COST OR VALUATION				
At 1 January 2012	2,610,093	4,011,700	1,512,825	8,134,618
Additions	706,340	-	219,961	926,301
At 31 December 2012	<u>3,316,433</u>	<u>4,011,700</u>	<u>1,732,786</u>	<u>9,060,919</u>
DEPRECIATION				
At 1 January 2012	1,161,281	91,700	1,357,482	2,610,463
Charge for the year	44,879	-	74,678	119,557
At 31 December 2012	<u>1,206,160</u>	<u>91,700</u>	<u>1,432,160</u>	<u>2,730,020</u>
NET BOOK VALUE				
At 31 December 2012	<u>2,110,273</u>	<u>3,920,000</u>	<u>300,626</u>	<u>6,330,899</u>
<i>At 31 December 2011</i>	<u>1,448,812</u>	<u>3,920,000</u>	<u>155,343</u>	<u>5,524,155</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2012 £	2011 £
Furniture, fittings and equipment	<u>5,265</u>	<u>5,968</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

16. TANGIBLE FIXED ASSETS (continued)

Land & Buildings

Carrying Value

Newbold College carries the value of the land & buildings in these accounts in accordance with their classification of the property,

Functional Properties - Land & Buildings held for the primary purpose of the charity, the Newbold College Campus, Lecture halls, Library, Administrative Buildings and Student Halls of Residence, are considered to be effectively endowed assets and are shown at cost less attributable depreciation

Other Properties - Land & Buildings held by the charity for its own purposes and not for their investment potential, comprising mainly tenanted domestic dwellings are shown at valuation in accordance with FRS 15 as modified by the Charities SORP. These properties were valued by Pennicott, Chartered Surveyors, in August 2012 at Market value as defined by the International Valuations Standards Council (IVSC) and adopted by the Royal Institution of Chartered Surveyors (RICS) in RICS Valuation – Professional Standards (Red Book, 8th Edition dated March 2012)

Basis of Title

Legal title to the land and buildings shown in the accounts is held by charities with compatible objectives, World-Wide Advent Missions Ltd (registered Charity Number 210955) and, Seventh-day Adventist Association Ltd (Registered Charity No. 209780). Title is held in accordance with memoranda of understanding dated 7th March 2007 between Newbold College Ltd, and the parent bodies of the title holders, the Trans-European Division of Seventh-Day Adventists, and the British Union Conference of Seventh-Day Adventists, respectively.

The agreement provides that the land and buildings would be for the use of Newbold College as long as it exists and remains situated in the UK. Newbold College does not have the power to encumber, lease, or sell land & buildings, without the consent of the title holders, and their parent bodies. These bodies have from time to time granted consent to the College to lease or sell land and property when it is considered in the best interest of the College's operations. If the operation of the College is terminated the title holders and their parent bodies will determine the use of or sale of the land and properties and the distribution of any sale proceeds.

The agreement affirms the shared purpose of providing Christian education in general and the training of ministerial personnel in particular and recognises the mutual benefits of the parties working together. The Charities holding legal title do not carry the Land & Buildings at any value in their accounts, and the College is responsible for insurance, repair and maintenance of the land & buildings.

Legal Charge

By a charge dated 13th March 2009 some of the Functional Properties are held by the Seventh day Adventist Retirement Plan as security for all present and future obligations and liabilities of Newbold College and others to make payments to the scheme. The participation of Newbold College in respect of the scheme is disclosed in note 26. The property in question has not been re-valued in these accounts but is carried in accordance with the companies accounting policies at £ 1,119,172, representing cost less attributable depreciation. The property was professionally valued by Chartered Surveyors Pennicott on 14th March 2011 at £4,325,000. The Trustees estimate that a provision of £ 2,400,000 would be required to settle any current liability attributable to Newbold College, but as referred to in note 26, some of the larger institutional members of the scheme have agreed to make annual extra contributions which in the opinion of the pension scheme trustees will gradually reduce and eventually eliminate the deficit.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

17. INVESTMENT PROPERTY

	Freehold investment property £
VALUATION	
At 1 January 2012	1,200,000
Additions at cost	23,295
	1,223,295
At 31 December 2012	1,223,295

Valuation of Investment property

Investment properties were valued by Pennicott, Chartered Surveyors, in August 2012 at Market value as defined by the International Valuations Standards Council (IVSC) and adopted by the Royal Institution of Chartered Surveyors (RICS) in RICS Valuation – Professional Standards (Red Book, 8th Edition dated March 2012)

18. STOCKS

	2012 £	2011 £
Consumable supplies	61,113	45,608

19. DEBTORS

	2012 £	2011 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	9,235	-
DUE WITHIN ONE YEAR		
Trade debtors	118,516	195,423
Amounts owed by controlling charity	24,916	(71,639)
Amounts owed by other associated charities	11,905	70,452
Other debtors	14,932	(12,454)
Prepayments and accrued income	74,066	93,009
	253,570	274,791

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

20. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	116,328	64,585
Social security and other taxes	59,275	43,807
Other creditors	312,819	252,993
Accruals and deferred income	78,322	137,196
	<u>566,744</u>	<u>498,581</u>

21. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012	2011
	£	£
Net obligations under finance leases and hire purchase contracts	<u>5,265</u>	<u>15,712</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2012	2011
	£	£
Repayable by instalments	<u>5,265</u>	<u>15,712</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2012	2011
	£	£
After five years	<u>5,265</u>	<u>15,712</u>

NEWBOLD COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

22. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
DESIGNATED FUNDS					
Property Fund	28,850	21,082	(45,074)	-	4,858
Land & buildings	3,920,000	-	-	-	3,920,000
Plant & Equipment	155,344	-	(74,678)	219,961	300,627
	<u>4,104,194</u>	<u>21,082</u>	<u>(119,752)</u>	<u>219,961</u>	<u>4,225,485</u>
GENERAL FUNDS					
General Funds - all funds	1,279,136	3,444,069	(3,315,281)	(926,423)	481,501
Total Unrestricted funds	<u>5,383,330</u>	<u>3,465,151</u>	<u>(3,435,033)</u>	<u>(706,462)</u>	<u>4,706,986</u>
ENDOWMENT FUNDS					
Scholarship endowment funds	272,843	-	-	(30,580)	242,263
Property endowment funds	1,448,812	1,938	(46,179)	705,701	2,110,272
	<u>1,721,655</u>	<u>1,938</u>	<u>(46,179)</u>	<u>675,121</u>	<u>2,352,535</u>
RESTRICTED FUNDS					
Scholarship	380,138	72,270	(92,478)	149	360,079
Facilities	89,830	143,955	(107,008)	33,111	159,888
Other Restricted Funds	69,435	15,897	(12,896)	(1,919)	70,517
Health	36,011	99	-	-	36,110
	<u>575,414</u>	<u>232,221</u>	<u>(212,382)</u>	<u>31,341</u>	<u>626,594</u>
Total of funds	<u><u>7,680,399</u></u>	<u><u>3,699,310</u></u>	<u><u>(3,693,594)</u></u>	<u><u>-</u></u>	<u><u>7,686,115</u></u>

NEWBOLD COLLEGE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Carried Forward £
Designated funds	4,104,194	21,082	(119,752)	219,961	4,225,485
General funds	1,279,136	3,444,069	(3,315,281)	(926,423)	481,501
	<u>5,383,330</u>	<u>3,465,151</u>	<u>(3,435,033)</u>	<u>(706,462)</u>	<u>4,706,986</u>
Endowment funds	1,721,655	1,938	(46,179)	675,121	2,352,535
Restricted funds	575,414	232,221	(212,382)	31,341	626,594
	<u>7,680,399</u>	<u>3,699,310</u>	<u>(3,693,594)</u>	<u>-</u>	<u>7,686,115</u>

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment funds 2012 £	Restricted funds 2012 £	Unrestricted funds 2012 £	Total funds 2012 £	Total funds 2011 £
Tangible fixed assets	2,352,535	-	3,978,364	6,330,899	5,524,155
Investment property	-	-	1,223,295	1,223,295	1,200,000
Debtors due after more than one year	-	-	9,235	9,235	-
Current assets	-	626,594	68,101	694,695	1,397,344
Creditors due within one year	-	-	(566,744)	(566,744)	(425,388)
Creditors due in more than one year	-	-	(5,265)	(5,265)	(15,710)
	<u>2,352,535</u>	<u>626,594</u>	<u>4,706,986</u>	<u>7,686,115</u>	<u>7,680,399</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS

Seventh-day Adventist Retirement Plan

In respect of UK based employees Newbold College participates in the Seventh-day Adventist Retirement Plan, a defined benefit multi-employer scheme providing pensions for employees of Seventh-day Adventist institutions in the United Kingdom and Ireland. The assets of the scheme are held in a separate trustee-administered fund.

A scheme-wide contribution rate is set. For 2012 the rate was 18.8% of relevant pensionable salaries. Contributions in 2012 by Newbold College, one of sixteen institutional members, amounted to £100,262 (2011 £110,799) representing less than 4% of the total participating employer contributions to the plan.

At the date of the last Actuarial review, 31st January 2012, the total plan deficit was £23,913,000. Some of the larger institutional members of the scheme have agreed to make annual extra contributions which in the opinion of the pension scheme trustees will gradually reduce and eventually eliminate the deficit. The Seventh-day Adventist Retirement Plan holds a charge dated 13th March 2009 over some of the Functional Properties as disclosed in note 17 .

The scheme assets are not hypothecated to the individual participating institutions and a scheme-wide contribution rate is set. Newbold College is therefore exposed to actuarial risks associated with other institutions employees, and unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS17 - Retirement Benefits, accounts for the scheme as if it were a defined contribution scheme.

The amount charged in the accounts represents the contributions payable to the scheme in respect of the accounting period.

Other pension schemes

Newbold College participates in several foreign pension schemes in respect of its foreign domiciled employees. The company's liability is limited to the contributions assessed by these pension schemes. They are therefore accounted for as defined contribution schemes in these accounts. Contributions payable during the year amounted to £46,192 (2011 £50,601).

25. RELATED PARTY TRANSACTIONS

	2012	2011
	£	Total £
Operating grants received	1,416,244	1,261,159
Balance sheet position:		
Amounts owed to the charity	24,915	70,452
Amounts owed by the charity	100,000	101,763
	<u> </u>	<u> </u>

26. CONTROLLING PARTY

The company is controlled by the Trans-European Division of the General Conference of Seventh-day Adventists, 119 St Peter's Street St Albans, Herts, AL1 3EY (Secretary: Audrey Andersson), by virtue of its executive committee forming the majority of the company's membership. The General Conference of Seventh-day Adventists is a non-profit organisation registered in the USA.

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27. OTHER CONNECTED ENTITIES

World-Wide Advent Missions Ltd (a registered charitable company), 119 St Peter's Street St Albans, Herts, AL1 3EY, is the trustee corporation of the Trans-European Division, and holds title to part of the land and buildings occupied by the college.

British Union Conference of Seventh-day Adventists (a registered charity), Stanborough Park, Garston., Watford, Herts, WD25 9JZ, appoints the majority of the trustees of the group pension scheme.

Seventh-day Adventist Association Ltd (a registered charitable company), Stanborough Park, Garston., Watford, Herts, WD25 9JZ, is the trustee corporation of the British Union Conference, and holds title to part of the land occupied by the company.

South England Conference of Seventh-day Adventists (a registered charity), 25 St John's Road, Watford, Herts, WD17 1PZ, is the local conference of Seventh-day Adventist churches in whose geographical area the college is situated.

28. GOING CONCERN

The financial statements have been prepared assuming that the College will continue as a going concern.

The College is dependent upon continuing subsidies from the controlling entity, the Trans-European Division of the General Conference of Seventh-day Adventists.

The board of the Trans-European Division have agreed with the Governors to guarantee the ongoing current operations, and the liabilities and obligations of the College. The Governors have therefore drawn up these financial statements on the basis of a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

29. LIABILITIES AND CAPITAL COMMITMENTS IN RESPECT OF LAND & BUILDINGS

Newbold College accepted the liability to restore and manage the Moor Close Grade II listed gardens, arising as a consequence of a Section 106 agreement dated 14th August 2001 between The Seventh-day Adventist Association Ltd and Bracknell Forest Borough Council, by virtue of granting an indemnity of the same date to The Seventh-day Adventist Association Ltd.

The costs were then estimated at £500,000.

In 2007 Richard Griffiths Architects prepared an updated estimate of costs (excluding VAT) and schedule of works which can be summarised as:-

Urgent	repairs to secure weather tightness or for Health and Safety reasons	£ 70,510
Priority 1	repairs to secure survival of historic garden	£609,187
Priority 2	desirable restoration of lost elements to ensure long-term integrity of the historic garden	£949,004

The trustees consider that whilst desirable the Priority 2 elements are not a requirement of the S106 agreement, and the use of their own charitable funds for this purpose would be outside the scope of their stated charitable objectives, however they do wish to secure funding from appropriate heritage organisations and charitable bodies for this purpose.

Some of the Priority 1 work has been undertaken, and representations have been made to the Council to allow relaxation, amendment and rescheduling of ongoing works, an application to the local council for a change to the 106 agreement on the restoration of the Moor Close Gardens. The College is requesting that the major constructional and therefore most costly restoration work be taken out of the agreement in order for the College to be able to access public funding for the projects. The application was submitted spring 2011 and the College is still waiting for the Council's response.

A current professional opinion is not available quantifying either the obligatory works or the estimated costs, accordingly the liability of Newbold College cannot reliably be quantified and no provision has been provided in these accounts for the liability.

The trustees believe that funding will be forthcoming from other relevant organisations, and private donations

30. CAPITAL COMMITMENTS

The board of trustees have approved a budget of £125,000 for the refurbishment of student accommodation Schuil House, to be completed by the autumn of 2013.