

**Newbold College**  
**(Trading as Newbold College of Higher Education)**

**Company No: 3143237**  
**Registered Charity No (England and Wales): 1052494**

**GOVERNORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2017**

# Newbold College

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# Newbold College

## Governors For the year ended 31 December 2017

Raafat Kamal	Chair
Ian Sweeney	Vice Chair
John Baildam	Secretary
Audrey Andersson	
Nenad Jeuranovic	
Daniel Duda	
Patrick Johnson	
Wim Altink	(Resigned 31 May 2017)
Rob De Raad	(Appointed 01 June 2017)
Kalervo Aromäki	
Jaroslav Dziegielewski	
Göran Hansen	(Resigned 04 July 2017)
Bobby Sjolander	(Appointed in 05 July 2017)
Reidar Johansen Kvinge	(Resigned 31 July 2017)
Victor Marley	(Appointed in 01 August 2017)
Thomas Müller	
Drago Mojzes	
David Nömmik	
Tamas Ócsai	
Djordje Trajkovski	
Kathleen Hanson	
Styrkår Dramstad	
Sophia Nicholls	
Isabel de Moraes	
Claudette Comerasamy	
Victor Hulbert	
Ingalill Gimbler-Berglund	
Robert Pearce	
Ian Redfern	
Carsten Waern	
Berton Samuel	
Richard de Lisser	(Resigned in 03 April 2017)
Emmanuel Osei	(Appointed 04 April 2017)
Zlatko Musija	(Resigned 01 September 2016)

# Newbold College

## Reference and administrative details of the charity and advisers For the year ended 31 December 2017

<b>Company number</b>	3143237
<b>Charity number</b>	1052494
<b>Bankers</b>	HSBC Bank Ltd Bracknell Berks RG12 1DN
<b>Solicitors</b>	Clifton Ingram LLP Solicitors 22-24 Broad Street Wokingham Berkshire RG40 1BA
<b>Auditors</b>	Kingston Smith LLP 4 Victoria Square St Albans Herts AL1 3TF
<b>Registered Office</b>	St Marks Road Binfield Bracknell Berks RG42 4AN

# **Newbold College Governors' Report For the year ended 31 December 2017**

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 2017. 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) "The FRS 102 Charities SORP, the Companies Act 2006 and Charities Act 2011.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **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 (though with a different name) as a higher education provider.

The Company's mission is to foster a Christ-centered 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.

### **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 11 neighbouring nations, reflecting the diversity of the student body.

### **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 (KPIs). 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 Trans-European Division (TED) Executive Committee endorses the Board's appointment of the Principal and this role is critical to ensuring effective College governance. As the link between Board and management, the Principal is responsible for ensuring that policies are implemented on a day-to-day basis. The Principal communicates the strategy and KPIs to the College's Senior Leadership Team which comprises the Chief Financial Officer, the Academic Registrar and the Principal, and which is responsible for reporting back to the Board. His or her regular reports should enable the Board to monitor organisational performance. The Principal is the only employee of the College who is an ex officio member of the Board of Governors and therefore has voice and vote at Board meetings with the exception of any agenda item which might deal with his or her salary. 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.

# **Newbold College**

## **Governors' Report (continued)**

### **For the year ended 31 December 2017**

#### **RELATED PARTY RELATIONSHIPS**

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

#### **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.

#### **OBJECTIVES AND ACTIVITIES**

##### **POLICIES AND OBJECTIVES**

The main strategic priorities of Newbold College of Higher Education are to provide high quality, creative and challenging learning opportunities; promote and mentor the spiritual growth of students and staff; nurture and support students throughout their learning experience; and promote opportunities for service to meet the needs of others. 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 2017 the College offered a Postgraduate Certificate in Ministry and Mission; an MA degree in Theology; a Graduate Diploma in Biblical & Pastoral Studies; undergraduate degrees in Biblical & Pastoral Studies, Religious Studies, Humanities and Business Studies; as well as short Study Abroad programmes and courses in English for Speakers of Other Languages.

##### **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 staff, professional services staff and the student body find joy in their work and association together.

Our strategies include: the development and maintenance of a three-year strategic and overarching whole-of-college operational plan; the development and maintenance of action plans for the findings of the Quality Assurance Agency, the British Accreditation Council, and the Accrediting Association of Seventh-day Adventist Schools, Colleges and Universities; 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.

# **Newbold College**

## **Governors' Report (continued)**

### **For the year ended 31 December 2017**

#### **ACTIVITIES FOR ACHIEVING OBJECTIVES**

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

- Offer a range of academic programmes developed in response to market demands and within the mission of the College
- Organise academic curriculum areas to deliver a variety of quality programmes under the aegis of the Academic Board, thereby maintaining the highest assurances of quality
- 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
- Challenge students to peak performance
- Maintain student services with particular responsibility for the social, emotional and spiritual welfare of all students - whether single, married, with or without children, residing on or off campus
- 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; honour the intent of restricted endowed and special funds; give oversight to inventories
- 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 who will be service-oriented, offering educational experiences in a premier structural setting (buildings and classrooms).

#### **ACHIEVEMENTS AND PERFORMANCE**

##### **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.

##### **REVIEW OF ACTIVITIES**

This report covers the period 01 January 2017 to 31 December 2017.

Between September 2012 and September 2015 all Theology credits were offered through Theologische Hochschule Friedensau, Germany, or through Andrews University, Michigan, USA. In the summer of 2015 the College obtained institutional partnership with the University of Wales Trinity Saint David, with no conditions. This led to the validation in September 2015 of the College's undergraduate and postgraduate Theology awards through the University, though Friedensau and Andrews options continue to be available. During the year under review, the College continued to offer its robust Andrews University BA degrees in Humanities (formerly known as Liberal Arts), Religious Studies and Theology, as well as an undergraduate Licence in Theology which parallels the University of Wales Trinity Saint David-validated Graduate Diploma in Biblical & Pastoral Studies. These programmes have not required the addition of any modules or staff.

In order to provide an even greater service at no additional cost, the College continues to package modules from its Andrews University Year in England offerings to be able to deliver six short programmes by means of Certificates. These were launched in September 2013 and comprise the Certificate in Humanities; the Certificate in English Literature; the Certificate in History; the Certificate in Media; the Certificate in Performing Arts; and the Certificate in Religious Studies. The Certificates are awarded by the College for the time being, but credits are transcribed by Andrews University.

By the end of 2013 the College had ensured that all credit-bearing modules have at least an element of online provision. Selected modules are already available online either in full for off-campus students, or in part as support for on-campus students. The English Language Centre is also exploring the possibilities of online delivery.

# **Newbold College**

## **Governors' Report (continued)**

### **For the year ended 31 December 2017**

In October 2014 the College underwent an audit by the Accrediting Association of Seventh-day Adventist Schools, Colleges and Universities. This event resulted in the College being granted continuing accreditation until the end of 2019, the maximum term available for the panel to recommend. A planned interim visit occurred in November 2017.

Having passed its September 2016 submission to the Quality Assurance Agency for Higher Education in the United Kingdom (QAA) for financial sustainability, management and governance (FSMG), the College sent its self-evaluation document and supporting annexes to the QAA in November 2016 in preparation for its Higher Education Review (Alternative Providers) which took place in February 2017. This successful review will be followed up in the usual way by an annual monitoring visit in March 2018.

During the year under review, representatives of the College attended Home Office/British Accreditation Council/Quality Assurance Agency seminars in its endeavours to comply with immigration regulations, maintaining a Home Office 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

During 2017 the College received £37,373 in donations to support operations and worthy-student scholarships.

#### **FACTORS RELEVANT TO ACHIEVE OBJECTIVES**

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

#### **FINANCIAL REVIEW**

##### **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 was achieved in 2017 as a result of cash inflow from the sale of redundant properties and surplus made for the past three years.

The Charity had unrestricted reserves of £7,611,961 (2016: £6,454,297). And total reserves of £11,044,441 (2016: £10,031,834).

##### **FUTURE FUNDING & FINANCIAL SUPPORT**

The College receives income from its owner, the General Conference of Seventh day Adventist Trans European Division which supplements its income, just as most universities in the UK receive government support. The College is financially self-sufficient and will continue to seek donations, endowments and additional funding streams beyond that of tuition.

#### **PLANS FOR THE FUTURE**

##### **FUTURE DEVELOPMENTS**

The Governors intend to continue meeting the Company's objectives by operating this College of Higher Education.

Rigorous steps have been taken to improve cashflow and working capital to ensure the survival of institution.

Further upgrade of the physical plant and campus renewal initiatives have been prioritised which will be funded through asset management and development. Work completed during 2017 includes the refurbishment of the classrooms, corridors and toilets in the north wing of Salisbury Hall, now known as the Myrna Dorland wing in recognition of the bequest which made such an upgrade possible.



**Newbold College**  
**Governors' Report (continued)**  
**For the year ended 31 December 2017**

The restoration of the Moor Close Gardens continues, and the Tolman Conference Suite will be completed once listed building permissions have been effected.

In the light of low student numbers the Board of Governors set up an ad hoc regeneration panel to report to the Board in February 2014. The findings of the panel formed part of strategies and developments within the College. In November 2015 the Board set up a Regeneration Assessment and Development Panel. This duly reported to the Board in May 2016.

During the year under review the Board investigated the possibility of refurbishing the gymnasium as a state-of-the-art sports hall/auditorium and it is expected that permission to proceed will be granted early in 2018.

**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 which give a true and fair view of the state of the 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 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 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

**Newbold College**  
**Statement of Governors' Responsibilities**  
**For the year ended 31 December 2017**

**Statement of Disclosure to Auditors**

So far as each of the Governors is 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 the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Auditors reappointment**

The auditors are deemed to be reappointed under section 487(2) of the Companies Act 2006 This report was approved by the Governors on 22 May 2018 and signed on their behalf by:



**Raafat Kamal**  
**Chair of the Board of Governors**

Date: 20 MAY 2018

# **Newbold College**

## **Independent Auditors' Report to the Governors of Newbold College**

### **Opinion**

We have audited the financial statements of Newbold College (the company) for the year ended 31 December 2017 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and 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 December 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of 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.

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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The 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. 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.

# **Newbold College**

## **Independent Auditors' Report to the Governors of Newbold College**

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

We have nothing to report in this regard.

### **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 require us to report to you if, in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charitable company has not kept proper and 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.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on pages 7 and 8, 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**

The trustees 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<sup>1</sup> of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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.

**Newbold College**  
**Independent Auditors' Report to the Governors of**  
**Newbold College**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



**Silvia Vitiello**, Senior Statutory Auditor  
for and on behalf of Kingston Smith LLP, Statutory Auditors

4 Victoria Square  
St Albans  
Herts  
AL1 3TF

Date: 4/6/18

Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

**Newbold College**  
**Statement of Financial activities**  
**For the year ended 31 December 2017**

Notes	2017			2016				
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds
	£	£	£	£	£	£	£	£
<b>Income and Expenditure</b>								
<b>Income and endowments from</b>								
Donations and legacies	1,660,075	179,940	-	1,840,015	1,583,655	220,144	-	1,803,799
Charitable activities	2,620,256	24,404	-	2,644,660	2,340,229	9,856	-	2,350,085
Other trading activities	-	-	-	-	63,764	50	-	63,814
Investments	1,485	-	-	1,485	462	31	-	493
Other income	442,818	-	-	442,818	900,000	-	-	900,000
	<u>4,724,634</u>	<u>204,344</u>	<u>-</u>	<u>4,928,978</u>	<u>4,888,110</u>	<u>230,081</u>	<u>0</u>	<u>5,118,191</u>
<b>Expenditure on:</b>								
Raising funds	53,176	-	-	53,176	33,296	-	-	33,296
Charitable activities	3,701,112	60,172	82,496	3,843,780	3,507,601	100,387	78,151	3,686,139
Governance	19,415	-	-	19,415	19,630	-	-	19,630
	<u>3,773,703</u>	<u>60,172</u>	<u>82,496</u>	<u>3,916,371</u>	<u>3,560,527</u>	<u>100,387</u>	<u>78,151</u>	<u>3,739,065</u>
<b>Net (Outgoing)/ Incoming Resources</b>	950,931	144,172	(82,496)	1,012,607	1,327,584	129,694	(78,151)	1,379,127
Transfers between funds	206,733	(240,591)	33,858	-	(70,937)	(24,637)	95,574	-
	<u>1,157,664</u>	<u>(96,419)</u>	<u>(48,638)</u>	<u>1,012,607</u>	<u>1,256,647</u>	<u>105,057</u>	<u>17,423</u>	<u>1,379,127</u>
<b>Reconciliation of funds</b>								
Fund balances brought forward at 01 January	6,454,297	819,528	2,758,009	10,031,834	5,197,649	714,472	2,740,586	8,652,707
Fund balances carried forward at 31 December	<u>7,611,961</u>	<u>723,109</u>	<u>2,709,371</u>	<u>11,044,441</u>	<u>6,454,296</u>	<u>819,529</u>	<u>2,758,009</u>	<u>10,031,834</u>

There were no recognised gains and losses other than those included in the statement of financial activities.

All activities relate to continuing operations.

The notes on pages 15 to 29 form part of these financial statements.

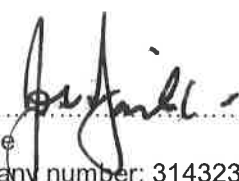
# Newbold College

## Balance sheet as at 31 December 2017

	Notes	2017 £	2016 £
<b>Fixed Assets</b>			
Tangible fixed assets	15	5,556,256	6,454,256
		5,556,256	6,454,256
<b>Current Assets</b>			
Stock and work in progress		15,340	30,233
Investments	14	121,524	120,103
Debtors	16	5,363,035	3,760,843
Cash at bank and in hand		670,004	446,647
		6,169,903	4,357,826
<b>Creditors:</b> Amounts falling due within one year	17	681,718	780,248
		5,488,185	3,577,578
<b>Net Current Assets</b>		5,488,185	3,577,578
<b>Net Assets</b>		11,044,441	10,031,834
<b>Funds</b>			
Endowment	18	2,709,371	2,758,009
Restricted	18	723,109	819,528
Unrestricted	18	7,611,961	6,454,297
		11,044,441	10,031,834

The Governors acknowledge their responsibilities for complying with the arrangements of the Companies Act 2006 with respect to accounting records and the preparation of the financial statements.

Approved and authorised for issue by the Board of Governors on 21 May 2018  
and signed on its behalf by:

  
.....  
Trustee  
Company number: 3143237  
Charity number: 1052494

The notes on pages 15 to 29 form part of these accounts.

**Newbold College**  
**Statement of Cash Flows**  
**For the year ended 31 December 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
Net income for the year	1,012,607	1,379,127
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	317,118	266,033
Interest received	(1,485)	(493)
Gain on sale of fixed assets	(438,219)	-
<b>Changes in working capital:</b>		
Increase in debtors	(1,602,192)	(741,041)
Increase in creditors	(98,530)	114,613
Decrease in stocks	14,894	(6,746)
Work in progress transfer	-	27,492
Net cash (used in) / generated by operating activities	<u>(795,807)</u>	<u>1,038,985</u>
<b>Cashflows from investing activities</b>		
Proceeds from sale of assets	1,192,817	-
Purchase of Investments	(1,421)	-
Purchase of fixed assets	(173,717)	(1,135,240)
Interest received	1,485	493
Net cash from investing activities	<u>1,019,164</u>	<u>(1,134,747)</u>
Change in cash and cash equivalents in the year	223,357	(95,762)
Cash and cash equivalents at beginning of year	446,647	542,409
	<u>670,004</u>	<u>446,647</u>



# Newbold College

## Notes to the Financial Statements

### For the year ended 31 December 2017

#### **1 Accounting Policies**

##### **1.1 Basis of preparation**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The company is a public benefit entity for the purposes of FRS 102 and a registered charity established as a company limited by guarantee and therefore has also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the companies Act 2006 and Charities Act 2011.

##### **1.2 Charity status**

The charity is a company limited by guarantee. The members of the company are defined in the Articles of Associations and include members of the Board of Governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

##### **1.3 Going concern**

The Board of Governors have assessed whether the use of going concern is appropriate and have been 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 one year from the date of the approval of these financial statements. In particular, the Governors have considered the charitable company's forecasts and projections and have taken account of pressures on fee income. After making enquiries, the trustees have concluded that there is a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The charitable company therefore continues to adopt the going concern basis in preparing its financial statements.

##### **1.4 Incoming resources**

All income is recognised when there is entitlement to the funds, the receipt is probable and amount can be measured reliably.

Income by way of donations and gifts to the charity is included in full in the statement of financial activities when received. Intangible income is not included unless it represents goods or services which would have otherwise been purchased.

Legacies are monitored from the time of notification to their final receipt. They are only included in the financial statements when there is sufficient evidence that the legacy will be received and the value can be measured with sufficient reliability.

##### **1.5 Fund accounting**

Restricted funds are those which are to be used for the specified purposes as laid down by the donor. Expenditure which meets these criteria is allocated to the appropriate fund.

Unrestricted funds are donations and other income received or generated for the furtherance of the objects of the charity without specified purposes and, therefore, are available as general funds.

Endowment funds are income and expenditure relating to the land & buildings held for the primary purpose of the Charity which include the Newbold College Campus, Lecture Halls, Library, Administrative Buildings and Student Halls of Residence.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**1 Accounting Policies (Continued)**

**1.6 Grant-making policies**

The Board of Governors allocate grants in accordance with the objects set out in the Memorandum and Articles of Association of the charitable company, which are summarised in the Governors' Annual Report.

**1.7 Resources expended**

Staff costs and overhead expenses are allocated to activities on the basis of time spent on those activities. Resources expended are included in the Statement of Financial Activities on an accruals basis.

Governance costs are those incurred in connection with administration of the charitable company and compliance with constitutional and statutory requirements.

All costs include value added tax where applicable.

**1.8 Risk mitigation**

The company's directors have given consideration to the major risks to which the charity is exposed and established systems or procedures in order to manage those risks.

**1.9 Foreign Currency Translations**

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the statement of financial activities.

**1.10 Fixed assets**

Depreciation is provided on tangible fixed assets in order to write off each asset over its expected economic life. The rates of depreciation applied to each class of asset are:

Functional Land and Buildings	1.3% per annum cost basis
Office fixtures and equipment	5% to 20% per annum cost basis
Other Land and Buildings	1.3% per annum cost basis

Items of furniture and equipment costing less than £1000 each are treated as an expense on acquisition.

**1.11 Classification of Land and Buildings**

**Functional Properties** - Land and 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 and 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 .

**1.12 Investment Properties**

Investment Properties are included in the Balance sheet at their open market value in accordance with the FRS 102 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**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**1.13 Pension costs**

Following the closure of the Seventh-day Adventist Retirement plan in December 2013, pension are now provided in terms of the national Auto-Enrolment requirements and invested in a Group Personal Pension Plan through Legal and General.

**1.14 Stock**

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

**1.15 Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**1.16 Properties held for sale**

Fixed assets held where there is an expectation of their sale in the next 12 months are reclassified as current assets and where material disclosed as such on the face of the Balance Sheet.

**1.17 Financial Instruments**

a. Cash and Cash equivalents - this include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b. Debtors and creditors - Debtors and creditors receivable or payable within one year of reporting date are carried at their transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

**1.18 Critical accounting estimates and judgements**

In the application of the Charity's accounting policies, the Board of Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

The Charity makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, Board of Governors consider factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The annual depreciation charge for fixed assets 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 investment, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the property, plant and equipment.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**2 Income from donations and legacies**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2017 £</b>
<b>2017</b>				
Operating grants from parent organisation	863,823	-	-	863,823
Special grants from parent organisation	796,252	-	-	796,252
	<u>1,660,075</u>	<u>-</u>	<u>-</u>	<u>1,660,075</u>
Donations	-	37,373	-	37,373
Legacies	-	142,567	-	142,567
	<u>1,660,075</u>	<u>179,940</u>	<u>-</u>	<u>1,840,015</u>
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2016 £</b>
<b>2016</b>				
Operating grants from parent organisation	774,151	-	-	774,151
Special grants from parent organisation	809,505	-	-	809,505
	<u>1,583,656</u>	<u>-</u>	<u>-</u>	<u>1,583,656</u>
Donations	-	43,594	-	43,594
Legacies	-	176,550	-	176,550
	<u>1,583,656</u>	<u>220,144</u>	<u>-</u>	<u>1,803,800</u>

**3 Income from charitable activities**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2017 £</b>
<b>2017</b>				
Tuition Income	1,224,255	-	-	1,224,255
Accommodation and Lodging Income	927,968	-	-	927,968
Rental Income	261,529	-	-	261,529
Departmental Income	140,479	-	-	140,479
Other Income	66,025	24,404	-	90,429
	<u>2,620,256</u>	<u>24,404</u>	<u>-</u>	<u>2,644,660</u>
	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2016 £</b>
<b>2016</b>				
Tuition Income	1,004,372	-	-	1,004,372
Accommodation and Lodging Income	891,000	-	-	891,000
Rental Income	277,560	-	-	277,560
Departmental Income	112,284	-	-	112,284
Other Income	55,013	9,856	-	64,869
	<u>2,340,229</u>	<u>9,856</u>	<u>-</u>	<u>2,350,085</u>

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

<b>2017</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>4 Income from other trading activities</b>				
Conference income	-	-	-	-
<b>2016</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Conference income	63,764	50	-	63,814
<b>5 Income from Investments</b>				
<b>2017</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank Interest	1,485	-	-	1,485
<b>2016</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank Interest	462	31	-	493
<b>6 Other Income</b>				
<b>2017</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Gain on Sale of Fixed assets	442,818	-	-	442,818
<b>2016</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Endowment Funds</b>	<b>Total 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Donated property	900,000	-	-	900,000

Notes to the Financial Statements  
For the year ended 31 December 2017

7 Expenditure on raising funds	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2016
	£	£	£	£	£	£	£	£
Advertising	27,559	4,072	-	31,631	21,089	-	-	21,089
Recruitment	21,545	-	-	21,545	12,206	-	-	12,206
	49,104	4,072	-	53,176	33,295	-	-	33,295

8 Expenditure on charitable activities	Academic Services	Property Maintenance	Support Cost	Total 2017	Academic Services	Property Maintenance	Support Cost	Total 2016
	£	£	£	£	£	£	£	£
Salaries	1,853,640	-	-	1,853,640	1,771,107	-	-	1,771,107
Social Security	166,814	-	-	166,814	167,674	-	-	167,674
Retirement cost	190,302	-	-	190,302	176,358	-	-	176,358
Other personnel expense	63,055	-	-	63,055	66,915	-	-	66,915
Direct costs	251,211	-	-	251,211	216,050	-	-	216,050
Administration	-	-	302,699	302,699	-	246,763	-	246,763
Buildings	-	443,023	-	443,023	-	438,401	-	438,401
Office	-	-	190,559	190,559	-	253,388	-	253,388
Departmental	45,956	-	-	45,956	59,235	-	-	59,235
Scholarship expenses	-	-	14,122	14,122	-	-	22,579	22,579
Depreciation	-	317,118	-	317,118	-	267,669	-	267,669
Loss on disposal of equipment	-	4,600	-	4,600	-	-	-	-
	2,570,978	764,741	507,380	3,843,099	2,457,339	706,070	522,730	3,686,139

Analysis by fund:

	Total 2017	Total 2016
	£	£
Unrestricted funds	3,700,431	3,507,601
Restricted funds	60,172	100,387
Endowment funds	82,496	78,151
	3,843,099	3,686,139

9 Other expenditure	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2016
	£	£	£	£	£	£	£	£
Governance costs (see note 10)	19,415	-	-	19,415	19,630	-	-	19,630

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**10 Analysis of governance and support costs**

	General Support	Governance	Total 2017	Total 2016
	£	£	£	£
Board Expenditure	-	12,415	12,415	12,630
Audit	-	7,000	7,000	7,000
Bad debts Expenses	13,828	-	13,828	22,164
Professional fees	106,172	-	106,172	99,992
Interest Expense	12,433	-	12,433	9,255
Other Administrative Expenses	153,901	-	153,901	122,112
Office Supplies & IT expense	61,915	-	61,915	117,087
Telephone and Postage	25,162	-	25,162	27,809
Equipment Maintenance	103,482	-	103,482	101,732
Scholarship Expenses	14,122	-	14,122	22,579
	491,015	19,415	510,430	542,360

**11 Total Resources Expended**

**Summary by expenditure type**

	Staff Costs	Other Costs	Depreciation	Total 2017	Total 2016
	£	£	£	£	£
Charitable activities	2,210,756	1,315,906	317,118	3,843,780	3,686,139
Costs of generating voluntary income	-	53,176	-	53,176	33,295
Governance costs	-	19,415	-	19,415	19,630
	2,210,756	1,388,497	317,118	3,916,371	3,739,064

**Summary by fund type**

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2017
2017	£	£	£	£
Charitable activities	3,701,112	60,172	82,496	3,843,780
Costs of generating voluntary income	53,176	-	-	53,176
Governance costs	19,415	-	-	19,415
	3,773,703	60,172	82,496	3,916,371

Support costs have been allocated on the basis of staff timings incurred.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

Summary by fund type	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2016
2016	£	£	£	£
Charitable activities	3,507,601	100,387	78,151	3,686,139
Costs of generating voluntary income	33,295	-	-	33,295
Governance costs	19,630	-	-	19,630
	<u>3,560,526</u>	<u>100,387</u>	<u>78,151</u>	<u>3,739,064</u>

**12 Total Resources Expended (continued)**

Included within total expenditure:

	2017	2016
	£	£
Auditors' remuneration	7,000	6,000
Depreciation of tangible fixed assets	<u>317,118</u>	<u>267,669</u>

**13 Analysis of costs**

Staff costs consist of:

	2017	2016
	£	£
Salaries	1,853,640	1,771,107
Social security costs	166,814	167,674
Pension costs	190,302	176,358
	<u>2,210,756</u>	<u>2,115,139</u>

The average number of employees during the year was 50 (2016 - 50).

Employee trustees received emoluments during the year amounting to £55,984 (2016 - £48,444)

The number of employees whose emoluments exceeded £60,000 was nil (2016 - nil)

During the year expenses relating to attendance at trustee meetings were paid to trustees and amounted to £12,415 (2016 - £12,630)

**14 Short-term investments:**

	2017	2016
	£	£
Market value as at 1 January	120,103	120,103
Interest re-invested	1,421	-
Market value at 31 December	<u>121,524</u>	<u>120,103</u>
Investments consist of the following:	£	£
Bank term deposits in excess of three months	<u>121,524</u>	<u>120,103</u>



**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**15 Tangible Fixed Assets**

	Functional Land and Buildings £	Other Land and Buildings £	Fixtures and Equipment £	Total £
<b>Cost</b>				
At 1 January 2017	4,020,811	3,386,105	2,691,828	10,098,744
Additions	33,868	-	139,849	173,717
Disposals	(64,718)	(757,564)	(1,415,968)	(2,238,250)
At 31 December 2017	3,989,961	2,628,541	1,415,709	8,034,212
<b>Depreciation</b>				
At 1 January 2017	1,505,001	347,583	1,791,904	3,644,488
Charge for the period	82,496	80,669	153,953	317,118
Eliminated on disposal	(64,708)	(7,574)	(1,411,368)	(1,483,650)
At 31 December 2017	1,522,789	420,678	534,489	2,477,956
<b>Net Book Value</b>				
At 31 December 2017	2,467,172	2,207,863	881,220	5,556,256
At 31 December 2016	2,515,810	3,038,522	899,924	6,454,256

**Land and Buildings**

**Carrying Value**

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

Functional Properties - Land and 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 (see Basis of Title, below), and are shown at cost less attributable depreciation.

Other Properties - Land and 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. These properties were valued by Pennicott, Chartered Surveyors, in February 25, 2013 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). This value was adopted at 01 January 2015 as the historical cost, in accordance with FRS 102 as modified by the Charities SORP.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**15 Tangible Fixed Assets (Continued)**

**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 Number 209780). Title is held in accordance with memoranda of understanding (agreement) dated 7th March 2007 between Newbold College Ltd, and the parent bodies of the title holders, the General Conference of Seventh day Adventist Trans European Division, 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 and 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 the 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 and Buildings at any value in their accounts, and the College is responsible for insurance, repair and maintenance of the land and 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 15. The property in question has not been re-valued in these accounts but is carried in accordance with the companies accounting policies at £2,467,172 representing cost less attributable depreciation. The property was professionally valued by Chartered Surveyors Gerald Eve LLP on 2nd March 2017 at £11,060,000. As referred to in note 15, some of the larger institutional members of the scheme have agreed to make extra contributions which in the opinion of the pension scheme trustees will gradually reduce and eventually eliminate the deficit.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**16 Debtors**

	2017 £	2016 £
<b>Amounts due within one year:</b>		
Trade debtors	149,428	187,677
Amounts due from parent charity	5,045,660	3,347,016
Amounts due from other related charities	39,765	36,446
Amounts due from employees	3,468	6,735
Loans to employees and others	8,656	4,877
Prepaid expenses	86,307	130,102
Other debtors	29,751	47,990
	<u>5,363,035</u>	<u>3,760,843</u>

**17 Creditors**

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade creditors	79,640	154,427
Payments in advance by students	253,967	207,068
Amounts due to other related entities	50,689	48,777
Amounts due to employees	1,530	2,523
Other taxes and social security costs	49,615	60,669
Accrued expenses and deferred income	170,239	228,948
Other amounts payable	72,182	77,836
Agency and trust funds	3,856	-
	<u>681,718</u>	<u>780,248</u>

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

18 Funds analysis	Balance at 1 January £	Movement in Resources			Balance at 31 December £
		Incoming £	Outgoing £	Transfers £	
<b>Endowment funds</b>					
Scholarship endowment funds	242,199	-	-	-	242,199
Property endowment funds	2,515,810	-	(82,496)	33,858	2,467,172
<b>Total endowment funds</b>	<b>2,758,009</b>	<b>-</b>	<b>(82,496)</b>	<b>33,858</b>	<b>2,709,371</b>
<b>Restricted funds</b>					
Scholarship	320,601	91,048	(2,845)	850	409,654
Facilities	160,024	24,203	(19,299)	-	164,929
Health	36,367	-	-	(31)	36,336
Other Restricted Funds	253,121	89,093	(13,263)	(241,410)	87,540
Schuil House Refurbishment	49,415	-	(24,765)	-	24,650
<b>Total restricted funds</b>	<b>819,528</b>	<b>204,344</b>	<b>(60,172)</b>	<b>(240,591)</b>	<b>723,109</b>
<b>Unrestricted funds</b>					
Designated funds					
Property funds:					
Land & buildings	3,038,523	-	(80,669)	(749,990)	2,207,864
Plant & Equipment	899,924	-	(153,953)	135,249	881,220
General funds	-	-	(681)	244,148	243,467
	<b>3,938,447</b>	<b>-</b>	<b>(235,302)</b>	<b>(370,593)</b>	<b>3,332,551</b>
General funds					
General funds	2,515,850	4,724,634	-3,538,401	577,327	4,279,410
	<b>2,515,850</b>	<b>4,724,634</b>	<b>(3,538,401)</b>	<b>577,327</b>	<b>4,279,410</b>
<b>Total unrestricted funds</b>	<b>6,454,297</b>	<b>4,724,634</b>	<b>(3,773,703)</b>	<b>206,733</b>	<b>7,611,961</b>
<b>Total funds</b>	<b>10,031,834</b>	<b>4,928,978</b>	<b>(3,916,371)</b>	<b>-</b>	<b>11,044,441</b>

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**19 Analysis of net assets between funds**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Endowment funds 2017 £	Total funds 2017 £
Tangible fixed assets	3,089,084	-	2,467,172	5,556,256
Current assets	5,204,595	723,109	242,199	6,169,903
Creditors due within one year	(681,718)	-	-	(681,718)
	<u>7,611,961</u>	<u>723,109</u>	<u>2,709,371</u>	<u>11,044,441</u>
	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £
Tangible fixed assets	3,938,446	-	2,515,810	6,454,256
Current assets	3,296,099	819,528	242,199	4,357,826
Creditors due within one year	(780,248)	-	-	(780,248)
	<u>6,454,297</u>	<u>819,528</u>	<u>2,758,009</u>	<u>10,031,834</u>

**20 Pension Commitments**

From 1st January 2014, contributions have been made under the Auto-Enrolment compliance legislation by the employer to a Defined Contribution plan invested with the Legal and General insurance company. The Charity contribution is restricted to the contributions disclosed in note 8. There were no outstanding contributions at the year end. The costs of the defined contribution scheme are included within charitable activities fundraising costs and charged to the unrestricted funds of the Charity on the basis of the employees employed under each of those activities.

Newbold College also participates in a group defined contribution pension scheme and in several foreign pension schemes in respect of its foreign domiciled employees. The company's liability in respect of the foreign pension schemes 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 £41,232 (2016 £42,532).

The Charity previously participated in a defined benefit pension scheme of the British Union Conference of Seventh Day Adventists. This scheme closed to service after 31 December 2013. Newbold College does not contribute to the recovery of the deficit for the plan but some of its functional properties are held against it as disclosed in note 15.

**21 Related Party Transactions**

Transactions with Governors are disclosed in Note 9 and 10. The following are transactions with the connected entities as describe in Notes 22 and 23.

	General Conference £	British Union Conference £	Total 2017 £	Total 2016 £
Operating grants received	863,823	-	863,823	774,151
Special grants received	796,252	-	796,252	809,505
Amounts due to charity < 1 year	43,392	-	43,392	42,655
Amounts due by charity < 1 year	<u>5,045,660</u>	<u>24,655</u>	<u>5,070,315</u>	<u>3,383,462</u>

# Newbold College

## Notes to the Financial Statements

### For the year ended 31 December 2017

#### 22 Controlling Party

The charity is controlled by the General Conference of Seventh day Adventists Trans European Division, 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 making organisation registered in the USA.

#### 23 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 change.

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 charity), Stanborough Park, Garston Watford, herts, WD25 9JZ, is the trustee corporation of the British Union Conference, and holds title to part of the land and buildings occupied by the change.

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

#### 24 Going Concern

The financial statements have been prepared assuming that the College will continue as a going concern. The current financial position has been remedied by the imminent sale of properties.

However, for its ongoing operating deficit, the College is dependent upon continuing subsidies from the controlling entity, the General Conference of Seventh-day Adventists Trans European Division.

The Executive Committee of the Trans-European Division has 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.

#### 25 Liabilities And Capital Commitments in respect of Land & Buildings

Newbold College accepted a 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 indemnify 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

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2017**

**26 Liabilities And Capital Commitments in respect of Land & Buildings (continued)**

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.