

**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 2015

Newbold College

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Newbold College

Governors For the year ended 31 December 2015

Raafat Kamal	Chair
Ian Sweeney	Vice Chair
John Baildam	Secretary
KT Abbequaye	
Wim Altink	
Audrey Andersson	
Kalervo Aromaki	
Ingalill Gimbler Berglund	
Sam Davis	resigned September 2015
Richard de Lisser	appointed September 2015
Styrkå Dramstad	
Daniel Duda	
Jaroslav Dziegielewski	
Göran Hansen	
Nenad Jepuranovic	
Reidar Johansen Kvinge	
János Kovács-Biró	
Thomas Müller	
Zlatko Musija	
Tamas Ócsai	
Anne Pilmoor	
Berton Samuel	
Paul Tompkins	resigned July 2015
Carsten Waern	
Djordje Trajkovski	
Ian Redfern	
Irene Santineer	
David Nommik	

Newbold College

Reference and administrative details of the charity and advisers For the year ended 31 December 2015

Company number	3143237
Charity number	1052494
Bankers	HSBC Bank Bracknell Berks RG12 1DN
Solicitors	Clifton Ingram LLP Solicitors 22-24 Broad Street Wokingham Berkshire RG40 1BA
Auditors	Kingston Smith LLP 105 St Peter's Street St Albans Herts AL1 3EJ
Registered Office	St Marks Road Binfield Bracknell Berks RG42 4AN

Newbold College

Governors' Report For the year ended 31 December 2015

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 2015. 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) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective January 2015).

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 3 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.

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 14 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. 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, since June 2014, comprises the Chief Financial Officer and the Director of Student Services, and 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.

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.

Newbold College

Governors' Report (continued) For the year ended 31 December 2015

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 2015 the College offered undergraduate and postgraduate degrees and other programmes, including but not limited to Business, Liberal Arts, English for Speakers of Other Languages, Theology, and Religious Studies.

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: 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.

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).

Newbold College

Governors' Report (continued) For the year ended 31 December 2015

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 2014 to 31 December 2015.

Between September 2012 and September 2015 all Theology credits were offered through Theologische Hochschule Friedensau, Germany, or through Andrews University, Michigan, USA. In September 2015 the College obtained institutional partnership with the University of Wales Trinity Saint David, with no conditions. This led to the validation 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 Liberal Arts, Religious Studies and Theology, as well as an undergraduate Licence in Theology which was subsequently replaced by 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 October 2015 the College also entertained colleagues from Washington Adventist University, whose visit resulted in an enhanced Business Studies curriculum.

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 Liberal Arts; 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 School of English – to become a revamped English Language Centre in January 2016 – is also exploring the possibilities of online delivery.

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.

The College sent its annual report to the Quality Assurance Agency for Higher Education in the United Kingdom (QAA) in September 2015 and received its annual visit by a two-person panel on 3 December 2015. From the evidence provided in our annual return and at the monitoring visit itself, the review team concluded that Newbold College of Higher Education had made acceptable progress since the December 2014 review. The College now looks forward to a full Higher Education Review (Alternative Providers) in February 2017. This will include a review of financial sustainability, management and governance (the FSMG check).

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, obtaining a Home Office 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.

During 2015 the College received £71,269.29 in donations to support operations and worthy-student scholarships.

Newbold College

Governors' Report (continued) For the year ended 31 December 2015

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 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 2015 as a result of cash inflow from the sale of redundant properties.

The charity had unrestricted reserves of £5,197,649 (2014: £5,505,627).

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

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.

The restoration of the Moor Close Gardens continues.

During the year under review the College revised its Strategic Plan 2013-2017, and this was duly voted by the Board of Governors in May 2015.

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 have formed part of future strategies and developments within the College. In November 2015 the Board set up a Regeneration Assessment and Development Panel to report to the Board in May 2016.

Newbold College

Statement of Governors' Responsibilities For the year ended 31 December 2015

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 (Financial Reporting Standard 102.)

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.

Statement of Disclosure to Auditors

In so far as the Governors are aware

- 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 2016 and signed on their behalf by:



Raafat Kamal
Chair of the Board of Governors

Date: 13 June 2016

Newbold College

Independent Auditors' Report to the Governors of Newbold College

We have audited the financial statements of Newbold College for the year ended 31 December 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 for no other purpose other to draw attention of the charitable company's members and Governors those matters which we are required to state to them in an auditor's report addressed to them. 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, and the charity's Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

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 auditor 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 (APB's) Ethical Standards for Auditors.

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 charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Governors Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2015 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 including Financial Reporting Standard 102; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Newbold College

Independent Auditors' Report to the Governors of Newbold College

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 charitable company has not kept proper and adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

105 St Peter's Street
St Albans
Herts
AL1 3EJ

Date: 17/6/16

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 2015

	Note:	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2015 £	Total 2014
Income and endowments from:						
Donations and legacies	2	1,463,613	108,269	-	1,571,882	1,646,703
Charitable activities	3	2,430,205	11	-	2,430,216	2,249,915
Other trading activities	4	-	-	-	-	9,261
Investments	5	1,686	20	-	1,706	788
Other income	6	-	-	-	-	822,701
Total		<u>3,895,504</u>	<u>108,300</u>	<u>-</u>	<u>4,003,804</u>	<u>4,729,368</u>
Expenditure on:						
Raising funds	7	38,545	-	-	38,545	30,632
Charitable activities	8	3,708,854	66,496	79,185	3,854,535	3,563,444
Other	9	169,150	-	-	169,150	14,033
Total		<u>3,916,549</u>	<u>66,496</u>	<u>79,185</u>	<u>4,062,230</u>	<u>3,608,109</u>
Net Income/(Expenditure)		(21,045)	41,804	(79,185)	(58,426)	1,121,259
Transfers between funds		(286,933)	51,566	235,367	-	-
Net Movement in Funds		<u>(307,978)</u>	<u>93,370</u>	<u>156,182</u>	<u>(58,426)</u>	<u>1,121,259</u>
Reconciliation of funds						
Fund balances brought forward at 1 January 2015		<u>5,505,627</u>	<u>621,102</u>	<u>2,584,404</u>	<u>8,711,133</u>	<u>7,589,874</u>
Fund balances carried forward at 31 December 2015	18	<u>5,197,649</u>	<u>714,472</u>	<u>2,740,586</u>	<u>8,652,707</u>	<u>8,711,133</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 12 to 24 form part of these financial statements.

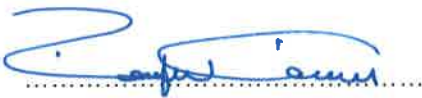
Newbold College

Balance sheet as at 31 December 2015

	Notes	2015 £	2014 £
Fixed Assets			
Tangible fixed assets	15	5,612,540	6,655,946
		<u>5,612,540</u>	<u>6,655,946</u>
Current Assets			
Stock and work in progress		23,488	28,925
Investments	13	120,103	120,103
Debtors	16	3,019,802	964,752
Cash at bank and in hand		542,409	1,540,034
		<u>3,705,802</u>	<u>2,653,814</u>
Creditors: Amounts falling due within one year	17	665,635	598,627
		<u>3,040,167</u>	<u>2,055,187</u>
Net Current Assets			
		<u>3,040,167</u>	<u>2,055,187</u>
Net Assets		<u>8,652,707</u>	<u>8,711,133</u>
Funds			
Endowment	18	2,740,586	2,584,404
Restricted	18	714,472	621,102
Unrestricted	18	5,197,649	5,505,627
		<u>8,652,707</u>	<u>8,711,133</u>

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 13/6/..... 2016,
and signed on its behalf by:



Trustee

Company number: 3143237

Charity number: 1052494

The notes on pages 12 to 24 form part of these accounts.

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Statement of Cash Flows For the year ended 31 December 2015

	2015 £	2014 £
Cash flows from operating activities		
Net (Expenditure)/ income for the year	(58,426)	1,121,259
Adjustments for:		
Depreciation of tangible fixed assets	371,089	192,768
Interest received	(1,706)	(788)
Decrease/ (increase) in debtors	(2,055,049)	(752,508)
(Decrease)/ increase in creditors	67,008	(278,074)
Decrease/ (increase) in stocks	5,437	28,131
Work in progress transfer	91,257	(1,969,165)
Gain on sale of fixed assets	150,000	(822,701)
Net cash (used in) / generated by operating activities	(1,430,390)	(2,481,078)
Cash flows from investing activities		
Proceeds from the sale of property	999,833	4,339,426
Purchase of investments	-	(121)
Purchase of fixed assets	(568,774)	(663,403)
Interest received	1,706	788
Net cash from investing activities	432,765	3,676,690
Change in cash and cash equivalents in the year	(997,625)	1,195,612
Cash and cash equivalents at beginning of year	1,540,034	344,422
Cash and cash equivalents at end of year	542,409	1,540,034

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

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 SOP), the Companies Act 2006 and Charities Act 2011.

The Charity has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 January 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 December 2014. No adjustments were required on the transition.

1.2 Charity status

The charity is a company limited by guarantee. The members of the company are the trustees 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 trustees have assessed whether the use of going concern is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of the approval of these financial statements. In particular, the trustees 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 the 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.

1.6 Grant-making policies

The trustees 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.

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

1 Accounting Policies (Continued)

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

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	Not Depreciated - disclosed at valuation

Items of furniture and equipment costing less than £500 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 are shown at valuation in accordance with FRS 102 as modified by the Charities SORP.

1.12 Investment Properties

Investment Properties are included in the Balance sheet at their open market value in accordance with the 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.

1.13 Pension costs

The Charity operates a define benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identified on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore the charity 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.

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

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

Cash and cash equivalents 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 the 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 judgments

In the application of the Charity's accounting policies, the Trustees 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, Trustees 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 investments, 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 2015

2 Income from donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Other funds:				
Operating grants from parent organisation	1,463,613	37,000	1,500,613	1,487,191
Donations	-	71,269	71,269	159,512
	<u>1,463,613</u>	<u>108,269</u>	<u>1,571,882</u>	<u>1,646,703</u>

The income from donations and legacies in 2014 included £1,486,191 unrestricted and £160,512 restricted funds income.

3 Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Tuition income	1,075,536		1,075,536	1,098,809
Accommodation and lodging income	932,756		932,756	856,451
Rental income	261,389		261,389	171,695
Department income	118,193		118,193	79,071
Other income	42,331	11	42,342	43,889
	<u>2,430,205</u>	<u>11</u>	<u>2,430,216</u>	<u>2,249,915</u>

The income from charitable activities in 2014 included £2,249,795 unrestricted and £120 restricted funds income.

4 Income from other trading activities

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Conference income	-	-	-	9,261
	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,261</u>

Conference income in 2014 represented unrestricted funds income.

5 Income from investments

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Bank interest	1,686	20	1,706	788
	<u>1,686</u>	<u>20</u>	<u>1,706</u>	<u>788</u>

Bank interest in 2014 included £674 unrestricted and £114 restricted funds income.

6 Other income

	Unrestricted Funds £	Restricted Funds £	Total 2015 £	Total 2014 £
Gain on sale of fixed asset	-	-	-	822,701
	<u>-</u>	<u>-</u>	<u>-</u>	<u>822,701</u>

Gain on sale of fixed assets in 2014 represented unrestricted funds income.

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

7 Expenditure on raising funds

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Advertising	15,852	-	15,852	21,568
Recruitment	22,693	-	22,693	9,064
	<u>38,545</u>	<u>-</u>	<u>38,545</u>	<u>30,632</u>

Expenditure on raising funds in 2014 represented unrestricted funds expenses.

8 Expenditure on charitable activities

	Academic Services	Property maintenance	Support costs (note 10)	Total 2015	Total 2014
	£	£	£	£	£
Salaries	1,935,208			1,935,208	1,767,517
Social security	175,374			175,374	173,349
Retirement costs	158,875			158,875	160,543
Other personnel expenses	82,891			82,891	93,897
Direct costs	230,890			230,890	229,359
Administration			205,745	205,745	198,920
Buildings		429,632		429,632	512,208
Office			177,591	177,591	164,041
Departmental	55,195			55,195	57,250
Scholarship expenses			32,044	32,044	12,593
Depreciation		371,089		371,089	193,768
	<u>2,638,433</u>	<u>800,721</u>	<u>415,380</u>	<u>3,854,534</u>	<u>3,563,444</u>

Analysis by fund:

	Total 2015	Total 2014
	£	£
Unrestricted funds	3,708,854	3,419,556
Restricted funds	66,496	75,638
Endowment funds	79,185	68,250
	<u>3,854,535</u>	<u>3,563,444</u>

9 Other expenditure

	Unrestricted Funds	Restricted Funds	Total 2015	Total 2014
	£	£	£	£
Loss on disposal of fixed assets	150,000	-	150,000	-
Governance costs (note 10)	19,150	-	19,150	14,033
	<u>169,150</u>	<u>-</u>	<u>169,150</u>	<u>14,033</u>

Governance costs in 2014 represented unrestricted funds.

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

10 Analysis of governance and support costs

	General support	Governance	Total 2015	Total 2014
	£	£	£	£
Board expenditure		12,150	12,150	7,033
Audit		7,000	7,000	7,000
Exchange Loss	9,823		9,823	5,017
Bad Debts Expense	9,797		9,797	28,406
Committee Expenses	388		388	16,196
Professional Fees	88,282		88,282	95,839
Interest Expense	11,867		11,867	11,285
Other Administrative Expenses	85,588		85,588	56,210
Office Supplies	59,808		59,808	15,139
Telephone & Postage	34,979		34,979	86,653
Equipment Maintenance	82,306		82,306	62,249
Scholarship expenses	32,044		32,044	12,592
	<u>414,882</u>	<u>19,150</u>	<u>434,032</u>	<u>403,619</u>

11 Net income/(expenditure) for the year

This is stated after charging:

	2015	2014
	£	£
Auditors' remuneration	7,000	7,000
Depreciation of tangible fixed assets	<u>371,089</u>	<u>169,003</u>

12 Analysis of staff costs

	2015	2014
	£	£
Salaries	1,935,208	1,767,517
Social security costs	175,374	173,349
Pension costs	158,875	160,543
	<u>2,269,457</u>	<u>2,101,409</u>

The average number of employees during the year was 50 (2014 - 54).

Employee trustees received emoluments during the year amounting to £44,325 (2014 - £46,495)
The number of employees whose emoluments exceeded £60,000 was nil (2014 - nil).

During the year expenses relating to attendance at trustee meetings were paid to trustees and amounted to £12,150 (2014 - £6,825).

13 Short-term investments:

	2015	2014
	£	£
Market value as at 1 January	120,103	119,982
Interest re-invested	-	121
Market value at 31 December	<u>120,103</u>	<u>120,103</u>
Investments consist of the following:	£	£
Bank term deposits in excess of three months	<u>120,103</u>	<u>120,103</u>

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

14 Properties held for sale

	2015 £	2014 £
Carrying value as at 1 January	-	3,468,295
Disposals	-	(1,545,000)
Reclassification	-	(1,923,295)
Carrying value at 31 December	<u>-</u>	<u>-</u>

15 Tangible Fixed Assets

	Functional Land and Buildings £	Other Land and Buildings £	Fixtures and Equipment £	Total £
Cost				
At 1 January 2015	3,687,310	3,683,112	2,337,408	9,707,830
Additions	237,927		330,847	568,774
Disposals	-	(1,188,306)		(1,188,306)
Reclassifications			(91,258)	(91,258)
At 31 December 2015	<u>3,925,237</u>	<u>2,494,806</u>	<u>2,576,997</u>	<u>8,997,040</u>
Depreciation				
At 1 January 2015	1,347,729	119,465	1,584,690	3,051,884
Charge for the period	79,121	192,705	99,263	371,089
On disposals		(38,473)		(38,473)
At 31 December 2015	<u>1,426,850</u>	<u>273,697</u>	<u>1,683,953</u>	<u>3,384,500</u>
Net Book Value				
At 31 December 2015	<u>2,498,387</u>	<u>2,221,109</u>	<u>893,044</u>	<u>5,612,540</u>
At 31 December 2014	<u>2,339,581</u>	<u>3,563,647</u>	<u>752,718</u>	<u>6,655,946</u>

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, are shown at valuation. These properties were valued by Pennicott, Chartered Surveyors, on 25 February 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)

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

15 Tangible Fixed Assets (Continued)

Basis of Title

Legal title to the land and buildings shown in the accounts is held by the charities with compatible objectives, World-Wide Advent Missions Ltd (registered Charity Number 210955). Title is held in accordance with memoranda of understanding dated 7 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 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 13 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 £2,042,649 representing cost less attributable depreciation. The property was professionally valued by Chartered Surveyors Pennicott on 25 February 2013 at £11,000,000. The Trustees estimate that a provision of £2,588,000 would be required to settle any current liability attributable to Newbold College, but 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 2015

16 Debtors	2015 £	2014 £
Amounts due within one year:		
Trade debtors	79,054	76,253
Amounts due from parent charity	2,683,477	717,591
Amounts due from other related charities	46,616	29,699
Amounts due from employees	4,514	608
Loans to employees and others	750	-
Prepaid expenses	121,733	93,198
Other debtors	83,658	47,403
	<u>3,019,802</u>	<u>964,752</u>
17 Creditors	2015 £	2014 £
Amounts falling due within one year:		
Trade creditors	26,269	116,688
Payments in advance by customers	238,291	196,665
Amounts due to other related entities	42,888	43,769
Amounts due to employees	488	1,788
Other taxes and social security costs	64,016	54,524
Accrued expenses and deferred income	236,853	119,989
Other amounts payable	56,830	65,204
	<u>665,635</u>	<u>598,627</u>

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

18 Funds analysis	Balance at 1 January 2015 £	Movement in Resources			Balance at 31 December 2015 £
		Incoming £	Outgoing £	Transfers £	
Endowment funds					
Scholarship endowment funds	242,263	-	(64)	-	242,199
Property endowment funds	2,342,141	-	(79,121)	235,367	2,498,387
Total endowment funds	<u>2,584,404</u>	<u>-</u>	<u>(79,185)</u>	<u>235,367</u>	<u>2,740,586</u>
Restricted funds					
Scholarship	305,595	12,427	(10,505)	1,863	309,380
Facilities	124,550	58,523	(17,761)		165,312
Health	36,316	20			36,336
Other Restricted Funds	55,580	37,330	(13,465)	49,703	129,148
Schuil House Refurbishment	99,061	-	(24,765)	-	74,296
Total restricted funds	<u>621,102</u>	<u>108,300</u>	<u>(66,496)</u>	<u>51,566</u>	<u>714,472</u>
Unrestricted funds					
Designated funds					
Land & buildings	980,352	-	(192,705)		787,647
Plant & Equipment	752,720	-	(99,263)	239,587	893,044
	<u>1,733,072</u>	<u>-</u>	<u>(291,968)</u>	<u>239,587</u>	<u>1,680,691</u>
General funds					
General funds	3,772,555	3,895,504	(3,624,581)	(526,520)	3,516,958
	<u>3,772,555</u>	<u>3,895,504</u>	<u>(3,624,581)</u>	<u>(526,520)</u>	<u>3,516,958</u>
Total unrestricted funds	<u>5,505,627</u>	<u>3,895,504</u>	<u>(3,916,549)</u>	<u>(286,933)</u>	<u>5,197,649</u>
Total funds	<u>8,711,133</u>	<u>4,003,804</u>	<u>(4,062,230)</u>	<u>-</u>	<u>8,652,707</u>

19 Analysis of net assets between funds

2015	Unrestricted funds 2015 £	Restricted funds 2015 £	Endowment funds 2015 £	Total funds 2015 £
Tangible fixed assets	2,797,658	74,296	2,740,586	5,612,540
Current assets	3,065,626	640,176	-	3,705,802
Creditors due within one year	(665,635)	-	-	(665,635)
	<u>5,197,649</u>	<u>714,472</u>	<u>2,740,586</u>	<u>8,652,708</u>
2014	Unrestricted funds 2014 £	Restricted funds 2014 £	Endowment funds 2014 £	Total funds 2014 £
Tangible fixed assets	3,972,481	99,061	2,584,404	6,655,946
Current assets	2,131,774	522,041	-	2,653,814
Creditors due within one year	(598,627)	-	-	(598,627)
	<u>5,505,629</u>	<u>621,102</u>	<u>2,584,404</u>	<u>8,711,133</u>

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

20 Pension Commitments

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 the these pension schemes. They are therefore accounted for as defined contribution schemes in these accounts. Contributions payable during the year amounted to £23,821 (2014: £40,790).

21 Related Party Transactions

Transactions with Governors are disclosed in Note 6. The following are transactions with the connected entities as describe in Notes 16 and 17.

	2015 £	2014 £
Operating grants received	1,500,613	1,487,014
Balance sheet position:		
Amounts owed to the charity	2,730,093	747,290
Amounts owed by the charity	-	-
	<u> </u>	<u> </u>

22 Controlling Party

The charity 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 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 Trans-European Division of the General Conference of Seventh-day Adventists.

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.

Newbold College

Notes to the Financial Statements For the year ended 31 December 2015

25 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 108 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 intergrity of the historic garden	£949,004

The trustees consider that whilst desirable the Priority 2 elements are not a requirement of the S108 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. During 2014, the College has set up a committee to work on approaching the Council with a workable and affordable proposal.

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.