

**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 2021**

# Newbold College

## Contents

	<b>Page</b>
<b>Governors</b>	<b>1</b>
<b>Reference and administrative details of the Charity and advisers</b>	<b>2</b>
<b>Governors' report</b>	<b>3 - 8</b>
<b>Independent auditor's report</b>	<b>9 - 11</b>
<b>Statement of financial activities</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Statement of cash flows</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 28</b>

**Newbold College**  
**Governors**  
**For the year ended 31 December 2021**

Daniel Duda	Chair
Raafat Kamal	
Ian Sweeney	Vice Chair - Resigned 09/12/2021
Eglan Brooks	Vice Chair - Appointed 09/12/2021
John Baildam	Secretary
Audrey Andersson	
Nenad Jeuranovic	
Patrick Johnson	
Rob De Raad	
Victor Marley	
Emmanuel Osei	
Styrkilr Dramstad	
Ian Redfern	
Dragan Grujicic	
Carsten Waern	
Gina Abbequaye	Resigned 01/02/2022
Lorraine McDonald	Appointed 01/02/2022
Paul Thompson	
Hongisto, Leif	
Natalie Henry	
Richard Jackson	Resigned 09/09/2021
George Kumi	Appointed 09/09/2021

**Newbold College**  
**Reference and administrative details of the charity and advisers**  
**For the year ended 31 December 2021**

<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>	Moore 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 2021**

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 2021. 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 College is the responsibility of the Governors. During the year under review, Governors came from within the British Isles and a number of 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 in 2021 were held in January, March, May, July, September and November. Please note that the governance structure changed with effect from the beginning of 2021, with the former Executive Committee having been disbanded and with the full Board of Governors subsequently meeting six times rather than twice as before.

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 2021**

**RELATED PARTY RELATIONSHIPS**

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

**RISK MANAGEMENT**

The Governors have assessed all risks to which the College 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 fulfils 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 2021 the College offered a BA Hons degree in Biblical & Pastoral Studies; a Graduate Diploma in Biblical & Pastoral Studies; an MA degree in Theology; and a Postgraduate Certificate in Ministry and Mission. It also ceased its Business Studies and Humanities provision, ensuring that students were able to transfer satisfactorily elsewhere in order to complete their

**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 University of Wales Trinity Saint David, the Office for Students, the Quality Assurance Agency for Higher Education, the British Accreditation Council for Independent Further and Higher Education 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 2021

#### ACTIVITIES FOR ACHIEVING OBJECTIVES

During the year under review, the College was organised to accomplish its objectives in the following manner:

- Offer a range of programmes within the newly constituted Centre for Ministry and Mission, all developed in response to market demands and within the mission of the College
- Organise academic curricula to deliver a variety of quality programmes under the aegis of the Learning, Teaching and Student Experience Council, thereby maintaining the highest assurances of quality
- Regularly achieve accreditation and validation of all programmes within an appropriate higher education context through UWTSD 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 Governors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. It has over £6 million of net current assets. 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 2021 to 31 December 2021.

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 UWTSD, with no conditions. This led to the validation in September 2015 of the College's undergraduate and postgraduate Theology awards through the University.

In order to provide an even greater service at no additional cost, the College continued 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 comprised 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 were awarded by the College, but credits were transcribed by Andrews University.

By the end of 2013 the College had ensured that all credit-bearing modules had at least an element of online provision. Selected modules are now available online either in full for off-campus students, or in part as support for on-campus students. The English Language Centre (closed due to the pandemic in December 2020) also explored the possibilities of online delivery.

**Newbold College**  
**Governors' Report (continued)**  
**For the year ended 31 December 2021**

In November 2019 the College underwent its full quinquennial audit by the Accrediting Association of Seventh-day Adventist Schools, Colleges and Universities. The College was granted continuing accreditation until the end of 2024, the maximum term available for the panel to recommend.

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 was followed up in the usual way by successful annual monitoring visits in March 2018 and March 2019.

With designation by the new Office for Students (OfS) granted in the autumn of 2018 for the College's UWTSD-validated programmes (with the exception of the Graduate Diploma), the College spent much time registering with OfS and in connection with such registration fulfilled the requirements of the Prevent Duty and relevant Safeguarding legislation. Full registration with OfS was effected in October 2020.

In October 2017 the College underwent a quadrennial re-accreditation visit by a panel representing the British Accreditation Council for Further and Higher Education. The report was published in December 2017 and a further four-year term of accreditation was awarded, with a successful interim visit occurring in May 2019. Due to the pandemic this accreditation was placed on hold and the College has the right to continue with accreditation later in 2022 or to withdraw.

During 2020 all non-UWTSD programmes were taught out due to a fall in student numbers as a result of the pandemic, strategy, and student need. Thus, during the year under review all programmes were validated by UWTSD.

This validation by UWTSD was extended in September 2021 for a further five years.

During the year under review, representatives of the College attended Home Office/British Accreditation Council/Quality Assurance Agency seminars in the College's 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 2021 the College received £132,425 in donations and legacies 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. The restrictions which occurred at the end of 2020 as a result of the Brexit process are under constant review.

#### **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 2021 & 2020 as a result of cash inflow from the sale of redundant properties and surplus made for the past five years.

The Charity had unrestricted reserves of £5,621,440 (2020: £7,457,596) and total reserves of £11,964,461 (2020: £11,866,559).

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

The College relies upon its owners, 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.

# Newbold College

## Governors' Report (continued)

### For the year ended 31 December 2021

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, though such was stymied by the locking-down of the campus due to the COVID-19 restrictions (see below). During 2021 all provision was moved into Salisbury Hall, with the Library continuing to operate in its current space. Schuil House became the only hall of residence. The owners set up a Property Investment Committee to look at the best possible use of other buildings and land, and reports are expected in mid-2022.

#### **Effect of COVID-19 on the College**

On 23 March 2020 the Government announced a national lockdown in response to the COVID-19 pandemic. This had a major impact on the College. The campus was closed from that date, with a subsequent loss of income for the charity, which was able to take advantage of the Government's measures, in particular the Furlough Scheme throughout, to reduce the cost base of the College in those

Our Board of Trustees responded to this new challenge by reviewing in detail the budgets prepared by the Senior Leadership Team via video-calls and refocusing governance to the immediate emergency needs.

The College has been able to come through these challenging times thanks to the strong financial position of the charity before the pandemic. The charity had in excess of £6 million in net current assets and has been able to draw down on those reserves to ensure that the College is able to maintain its position.

In September 2020 the Governors agreed a reorientation of the College on philosophical as well as pragmatic grounds, with COVID-19 serving as a catalyst rather than the reason. As a result, it was determined that there would be some downsizing of staff numbers and the teaching-out of some programmes to enable the College to concentrate on provision within the area of Ministry and Mission.

As we went through all due processes during 2021 in line with employment legislation, we reduced our personnel through retirements, resignations or voluntary redundancies. Further reductions resulted in our halving our collegium compared with 18 months ago. All academic and administrative offices were moved to one single building, and the College now operates with one hall of residence.

It is anticipated that after a relatively fallow period the College will be in a position to expand once again its offerings and therefore its student and staff numbers.

#### **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;

**Newbold College**  
**Statement of Governors' Responsibilities**  
**For the year ended 31 December 2021**

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**


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 15 May 2022 and signed on their behalf by:

  
Nenad Jeuranovic  
Trustee

Date: 21.06.22

# 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 2021 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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.

### Conclusions relating to going concern

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

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

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

### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The governors 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.

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.

### Opinions on other matters prescribed by the Companies Act 2006

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

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

# Newbold College

## Independent Auditors' Report to the Governors of

### Newbold College

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of governors**

As explained more fully in the governors' responsibilities statement set out on pages 7 to 8, 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, and for such internal control as the governors 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 governors 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 governors 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**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governors.
- Conclude on the appropriateness of the governors' 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.

# Newbold College

## Independent Auditors' Report to the Governors of

### Newbold College

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

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

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

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

Our approach was as follows:

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

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

#### **Use of our report**

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



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

4 Victoria Square  
St Albans  
Herts  
AL1 3TF

Date: *24 June 2022*

**Newbold College**  
**Statement of Financial activities**  
**For the year ended 31 December 2021**

Notes	2021				2020				
	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	2	1,678,315	45,004	-	1,723,319	1,740,324	34,719	-	1,775,043
Charitable activities investments	3	1,473,762	-	-	1,473,762	1,624,457	-	-	1,624,457
	4	8	24	-	32	728	489	-	1,197
Other income	5	49,996	-	-	49,996	241,728	-	-	241,728
		<u>3,202,081</u>	<u>45,028</u>	<u>-</u>	<u>3,247,109</u>	<u>3,607,237</u>	<u>35,188</u>	<u>-</u>	<u>3,642,425</u>
<b>Expenditure on:</b>									
Raising funds	6	8,724	-	-	8,724	34,258	9,331	-	43,569
Charitable activities	7	2,932,997	89,337	97,975	3,120,309	3,411,524	126,532	85,343	3,613,399
Governance	8	20,174	-	-	20,174	11,740	-	-	11,740
		<u>2,961,895</u>	<u>89,337</u>	<u>97,975</u>	<u>3,149,207</u>	<u>3,457,522</u>	<u>115,863</u>	<u>85,343</u>	<u>3,668,728</u>
<b>Net (Outgoing)/ Incoming Resources</b>		240,186	(44,309)	(97,975)	97,902	149,715	(80,675)	(65,343)	(26,303)
Transfers between funds		(2,076,342)	2,156,974	(80,632)	-	(353,938)	172,039	181,896	-
<b>Net Movement in Funds</b>		<u>(1,836,156)</u>	<u>2,112,665</u>	<u>(178,607)</u>	<u>97,902</u>	<u>(204,223)</u>	<u>91,364</u>	<u>86,556</u>	<u>(26,303)</u>
<b>Reconciliation of funds</b>									
Fund balances brought forward at 01 January		7,457,596	1,383,562	3,025,401	11,866,559	7,661,819	1,292,198	2,938,645	11,892,662
Fund balances carried forward at 31 December		<u>5,621,440</u>	<u>3,496,227</u>	<u>2,846,794</u>	<u>11,964,461</u>	<u>7,457,596</u>	<u>1,383,562</u>	<u>3,025,401</u>	<u>11,866,559</u>

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

All activities relate to continuing operations.

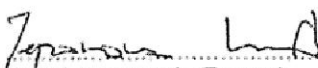
The notes on pages 15 to 28 form part of these financial statements.


**Newbold College**  
**Balance sheet as at**  
**31 December 2021**

	Notes	2021 £	2020 £
<b>Fixed Assets</b>			
Tangible fixed assets	13	5,710,564	5,887,235
		<u>5,710,564</u>	<u>5,887,235</u>
<b>Current Assets</b>			
Stock and work in progress		12,786	10,995
Investments	12	243,945	243,921
Debtors	14	6,226,849	5,860,006
Cash at bank and in hand		510,247	512,323
		<u>6,993,827</u>	<u>6,627,245</u>
Creditors: Amounts falling due within one year	15	739,930	647,921
<b>Net Current Assets</b>		<u>6,253,897</u>	<u>5,979,324</u>
<b>Net Assets</b>		<u>11,964,461</u>	<u>11,866,559</u>
<b>Funds</b>			
Endowment	16	2,846,794	3,025,401
Restricted	16	3,496,227	1,383,562
Unrestricted	16	5,621,441	7,457,596
		<u>11,964,461</u>	<u>11,866,559</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 15 May 2022,  
and signed on its behalf by:

  
 Nenad Jepuranovic (Trustee)  
 Company number: 3143237  
 Charity number: 1052494

  
 STEPHEN JOHN CORLEOW  
 (Accountable officer)

The notes on pages 15 to 28 form part of these accounts.

**Newbold College**  
**Statement of Cash Flows**  
**For the year ended 31 December 2021**

	2021	2020
	£	£
<b>Cash flows from operating activities</b>		
Net (Expenditure)/ income for the year	97,902	(26,303)
<b>Adjustments for:</b>		
Depreciation of tangible fixed assets	262,207	327,652
Interest received	(32)	(1,197)
<b>Changes in working capital:</b>		
Increase in debtors	(366,844)	(166,352)
Increase/(decrease) in creditors	92,010	(155,903)
Decrease/(increase) in stocks	(1,791)	751
Net cash (used in) / generated by operating activities	<u>83,452</u>	<u>(21,352)</u>
<b>Cashflows from investing activities</b>		
Purchase of Investments	(24)	(469)
Purchase of fixed assets	(85,536)	(62,683)
Interest received	32	1,197
Net cash from investing activities	<u>(85,528)</u>	<u>(61,955)</u>
Change in cash and cash equivalents in the year	(2,076)	(83,307)
Cash and cash equivalents at beginning of year	512,323	595,630
	<u>510,247</u>	<u>512,323</u>

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**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 basis of preparation is appropriate in light of the global pandemic and have considered possible events or conditions that might cast significant doubt on the ability of the charitable company to continue as a going concern. The Governors have made this assessment for a period of at least 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 in light of the effects of Covid-19. Whilst there has been an impact as a result of the closure of the campus with a subsequent impact on income, the overall impact on the charitable company has been mitigated due to its strong financial position. The charitable company has also taken advantage where relevant of government assistance programs as detailed in the Trustees Report. 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 2021**

**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, comprise mainly tenanted domestic dwellings .

**1.12 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant condition will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the conditions are met. Where a grant does not specify performance conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**1 Accounting Policies (Continued)**

**1.12 Coronavirus Job Retention Scheme grant** is intended to cover payroll costs incurred and the grant is recognised in SOFA/Profit and loss in the same period in which the related expense is incurred. The grant is recognised in other income

**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 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.

**1.17 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 14 for the carrying amount of the property, plant and equipment.

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

**2 Income from donations and legacies**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
<b>2021</b>				
Operating grants from parent organisation	630,000	-	-	630,000
Special grants from parent organisation	960,894	-	-	960,894
	<u>1,590,894</u>	<u>-</u>	<u>-</u>	<u>1,590,894</u>
Donations	87,421	5,004	-	92,425
Legacies	-	40,000	-	40,000
	<u>1,678,315</u>	<u>45,004</u>	<u>-</u>	<u>1,723,319</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
<b>2020</b>				
Operating grants from parent organisation	909,806	-	-	909,806
Special grants from parent organisation	801,474	-	-	801,474
	<u>1,711,280</u>	<u>-</u>	<u>-</u>	<u>1,711,280</u>
Donations	29,044	34,719	-	63,763
	<u>1,740,324</u>	<u>34,719</u>	<u>-</u>	<u>1,775,043</u>

**3 Income from charitable activities**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £
<b>2021</b>				
Tuition Income	634,967	-	-	634,967
Rental Income	785,592	-	-	785,592
Departmental Income	3,534	-	-	3,534
Other Income	49,669	-	-	49,669
	<u>1,473,762</u>	<u>-</u>	<u>-</u>	<u>1,473,762</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £
<b>2020</b>				
Tuition Income	936,865	-	-	936,865
Accommodation and Lodging Income	502,646	-	-	502,646
Rental Income	171,880	-	-	171,880
Departmental Income	7,962	-	-	7,962
Other Income	5,104	-	-	5,104
	<u>1,624,457</u>	<u>-</u>	<u>-</u>	<u>1,624,457</u>

**Newbold College**  
**Notes to the Financial Statements**  
**For the year ended 31 December 2021**

<b>4</b>	<b>Income from Investments</b>				
	<b>2021</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2021 £</b>
	Bank Interest	<u>8</u>	<u>24</u>	<u></u>	<u>32</u>
	<b>2020</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2020 £</b>
	Bank Interest	<u>728</u>	<u>469</u>	<u>-</u>	<u>1,197</u>
<b>5</b>	<b>Government grants</b>				
	<b>2021</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2021 £</b>
	Coronavirus Job Retention Scheme	<u>49,996</u>	<u>-</u>	<u>-</u>	<u>49,996</u>
	<b>2020</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total 2020 £</b>
	Coronavirus Job Retention Scheme	<u>241,728</u>	<u>-</u>	<u>-</u>	<u>241,728</u>