

Spiritus Theological College

England & Wales · Charity number 1056606

Details

Other names	SOUTH WEST MINISTRY TRAINING COURSE, SPIRITUS THEOLOGICAL COLLEGE, S W M T C, South West Ministry Training Course, Spiritus Theological College
Status	Registered
Legal form	CIO
Registered	1996-07-05
Register	View on the Charity Commission register

Contact

Address	The Epiphany Trust (Truro) Ltd Kenwyn Church Road Truro Cornwall TR1 3DR
Phone	01392272544
Email	info@spirituscollege.ac.uk
Website	www.spirituscollege.ac.uk

Activities

Objects: TO ADVANCE THE CHRISTIAN RELIGION BY THE PROMOTION OF THEOLOGICAL EDUCATION, RESEARCH AND TRAINING

Activities: The provision of theological education and training for Christian ministries, candidates being presented by the participating churches, together with the provision of theological education to members of the public and delivery of 'Exploring Christianity' modules to lay disciples.

Classification

- **How:** Provides Services
- **What:** Education/training, Religious Activities
- **Who:** Other Defined Groups, The General Public/mankind

Geography

- Cornwall
- Devon
- Somerset

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£340,159	£398,730	-	-
2024-08-31	£428,869	£386,306	-	-
2023-08-31	£421,184	£402,659	-	-
2022-08-31	£461,261	£419,499	-	-
2021-08-31	£454,866	£348,963	-	-
2020-08-31	£446,368	£376,121	-	-

Trustees

Name	Role	Appointed
Rev Prof Morwenna Ann Ludlow	Chair	2019-04-29
Charles Mills		2020-11-16
Dr Adam Dunning		2023-12-21
Hannah Foster		2025-03-21
Paul Netherton OBE		2026-05-20
Rev Andrew Farmer		2025-10-09
Richard Orr		2025-07-01
Rt Rev David Grant Williams		2026-03-10
The Rt Revd James Grier		2023-07-04

Accounts

REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2025
for
Spiritus Theological College**

Gravita Audit Western Limited
Chartered Accountants and Statutory Auditors
Keble House
Southernhay Gardens
Exeter
Devon
EX1 1NT

**Spiritus Theological College
Contents of the Financial Statements
For the Year Ended 31 August 2025**

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**Spiritus Theological College
Report of the Trustees
For the Year Ended 31 August 2025**

The trustees present their report with the financial statements of the Charity for the year ended 31 August 2025. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1056606

Registered office

The Epiphany Trust (Truro) Ltd
Kenwyn Church Road
Truro
Cornwall
TR1 3DR

Trustees

Rev'd Canon Prof. Morwenna Ludlow	
Rt Rev Hugh Nelson	Resigned 06 December 2025
Charles Mills	
Hamish Adam	Resigned 30 April 2025
Dr Adam Dunning	
The Rt. Revr'd James Grier	
Sally Piper	Resigned 06 December 2024
Rev'd Dr Benjamin Aldous	Resigned 01 September 2024
Hannah Foster	Appointed 21 March 2025
Richard Orr	Appointed 01 July 2025
Rev Andrew Farmer	Appointed 09 October 2025
Rt Rev David Grant Williams	Appointed 10 March 2026

Auditors

Gravita Audit Western Limited
Keble House
Southernhay Gardens
Exeter
EX1 1NT

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and governing document

The main activity of the Charity since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The Charity also provides open-access theological education and supports research. The Charity is a registered charity (number 1056606.)

The company was converted to a Charitable Incorporated Organisation (CIO) on 20 February 2020 and is now governed by a foundation trust deed. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the Charity and the costs, charges and expenses of winding up. On 14th May 2025 the Trustees agreed to change the name of the Charity to Spiritus Theological College from 1st September 2025.

New trustees are provided with a full induction to the Charity and training is provided where required.

The trustees are empowered to manage the strategic business of the Charity, to exercise all the powers of the Charity and to appoint a Principal, to be responsible for the everyday operations of the Charity.

Spiritus Theological College
Report of the Trustees
For the Year Ended 31 August 2025

The trustees have established finance, strategy and HR committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the Charity through its contacts with church leaders.

The trustees and members of the board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The main risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance and Strategy Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

Spiritus Theological College's vision is to deliver ministerial formation that is focussed on training for practical, lifegiving and hopeful ministry which is embedded in the people, communities and churches of the South West and rooted in scripture and the living traditions of the Christian faith. It seeks to achieve this vision, called *Theology for Living*, through an integrated academic and formational curriculum, accessible to a wide range of people, who learn together generously and collaboratively in community.

Our sponsoring and founding church is the Church of England and we have strong relationships with the Dioceses of the South West. In recent years our hope has been to have 21 ordination students and 20 LLM (Reader) trainees for the local Anglican Church. However, we welcome people of any denomination who want to study theology or be trained for a specific ministry. We specialise in the areas of Spiritual Direction and Chaplaincy training. We hope to grow the numbers of students by diversifying what we offer to provide financial stability. Some levels of recruitment are outside our control hence we adopt flexible and adaptive strategies to respond to the changing patterns and variety of ministries adopted by the church.

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:

1. the benefit that arises from the Charity's aims are that;
 - a. the Charity is able to advance the Christian religion by the promotion of theological education, training and research; and
 - b. the Charity is able to contribute to the advancement and promotion of the Christian religion.
2. the Charity's aims intend to benefit the public generally;
3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and
4. nobody receives any private benefit from the Charity.

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

**Spiritus Theological College
Report of the Trustees
For the Year Ended 31 August 2025**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the charity is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates, Licensed Lay Ministers (Readers) in training and others engaged in ministerial training. The proportion of income from independent students has increased in recent years.

Income for the year totalled £340,159. Expenditure for the year totalled £398,730.

Student numbers

There were 9 LLMs (Readers) in training from the Diocese of Exeter and 5 LLMs (Readers) in Training from the Diocese of Truro. We trained 21 ordinands from both dioceses, with 7 leaving at the end of the academic year to be ordained deacon. We also had 11 Independent students doing a range of academic courses from Certificate to BA, alongside 11 students training in Spiritual Direction and 9 students on our Introduction to Chaplaincy course.

Academic Quality Assurance

The External Examiner for 2024-25 said, 'Curriculum and modes of learning and assessment all appear fitting to me. The TEI takes a considered approach to these areas and is not afraid to experiment.' He went on to say that 'This is a field which attracts non-traditional students, and results in a quite mixed set of outcomes. Spiritus appears to work well with this cohort of students, supporting them in ways that allow them to attain results in line with the broader sector.'

Formation Programmes

We continued to evaluate how we address the formation of our ministerial students, making changes to ensure it is relevant and rigorous. The formational 'thread' consists of 1) Formation Sessions on the Sundays of residential weekends, 2) The Learning Journal, which is discussed with a Journal Tutor, 3) the Formation Groups which meet between each residential and 4) Easter/Lent School.

We also reviewed the structure of our residential weekends. Students no longer stay overnight on Fridays and to compensate this, more sessions have been added to Sundays.

Sustainability

The service level agreements with both the Diocese of Exeter and Truro to deliver LLM (Reader) training were renegotiated between October and December of 2024. The result was that the cost paid by the dioceses per student has been substantially reduced.

The Charity has introduced new programmes of study to its portfolio aimed to decrease the anticipated change in funding and is seeking to explore further courses to enhance funding opportunities. Trustees have agreed to release money from reserves for strategic development work and product development. In addition, several grant opportunities are being explored which should identify areas of study pertinent to the education and training of ministries within the Church of England as well as the wider Church. Furthermore, the Charity has moved premises to reduce overheads and sought to cut expenditure where possible. An enhanced emphasis was put on the charity's bursary fund which exists to support students wishing to take up courses.

Staff

Staff remained relatively stable over the year. The Rev Marc Kastner was appointed as Strategic Operations Officer and Mr John levins left to take up another post in York Diocese.

**Spiritus Theological College
Report of the Trustees
For the Year Ended 31 August 2025**

Organisation

Mrs Hannah Foster and Mr Richard Orr joined Spiritus as Trustees. Hamish Adam and Sally Piper stepped down due to retirement. Mr Ben Aldous also withdrew from the Trustee board.

Safeguarding

Safeguarding continues to take a very high priority at Spiritus. The Safeguarding officers are Rev Hannah Mears, Mr David Harwood and the Rev Dr Lucy Larkin. The trustee responsible for safeguarding in the year 2024-2025 was the Rev Prof Morwenna Ludlow. We ensure that our students attend the relevant safeguarding training and weave safeguarding into the academic and formational teaching.

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- to cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- to ensure that funds are available to meet the legal employment entitlements of Charity staff;
- to enable the Charity to meet emergency calls arising from property damage or equipment failures;
- to enable the Charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the Charity is to hold in the general reserve sufficient funds to cover not less than three months of normal working expenditure.

At the year-end a total of £397,547 was held in reserves. £403,658 was held in liquid assets. The level of reserves is considered to be adequate.

Plans for future periods

The Charity's objects for the future are to make a surplus in order that the Charity's reserves can be augmented and maintained in accordance with the reserves policy. Due to the overall drop in income from the Service Level Agreement with Exeter diocese in 2024, the charity underwent a loss last year, however future losses are being mitigated against by increasing product development, marketing strategies and diversification of income streams.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are strictly ethical.

**Spiritus Theological College
Report of the Trustees
For the Year Ended 31 August 2025**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charities law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Charity trustees

AUDITORS

The auditors, Gravita Audit Western Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 28/4/26 and signed on its behalf by:

M. A. Ludlow

Rev'd Canon Prof. Morwenna Ludlow – Chair of Trustees

**Report of the Independent Examiner to the Trustees of
Spiritus Theological College
For the Year Ended 31 August 2025**

Independent Examiner's Report to the Trustees of Spiritus Theological College

I report to the charity trustees on my examination of the accounts of the charity for the year ended 31 August 2025 which are set out on pages 7 to 18.

Responsibilities and basis of report

As the charity's trustees you are responsible for the preparation of the accounts in accordance with the requirements of the Charities Act 2011 ('the Act').

I report in respect of my examination of the charity's accounts carried out under section 145 of the Act and in carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the Act.

Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the Act. I confirm that I am qualified to undertake the examination because I am a member of the ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no material matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

1. accounting records were not kept in respect of the charity as required by section 130 of the Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the applicable requirements concerning the form and content of accounts set out in the Charities (Accounts and Reports) Regulations 2008 other than any requirement that the accounts give a 'true and fair view' which is not a matter considered as part of an independent examination.

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.



Jade Quaintance FCA
for and on behalf of Gravita Audit Western Limited,
Chartered Accountants and Statutory Auditors
Keble House
Southernhay Gardens
Exeter
Devon
EX1 1NT

Date: 28 April 2026

Spiritus Theological College
Statement of Financial Activities
For the year ended 31 August 2025

		Unrestricted Funds £	Restricted Funds £	2025 £	2024 £
INCOMING RESOURCES	Note				
Incoming resources from generated funds					
Investment income	2	5,931	-	5,931	4,470
Incoming resources from charitable activities	3	334,228	-	334,228	424,399
Total incoming resources		<u>340,159</u>	<u>-</u>	<u>340,159</u>	<u>428,869</u>
RESOURCES EXPENDED					
Charitable activities	4	379,390	-	379,390	365,769
Governance costs	5	19,340	-	19,340	20,537
Total resources expended		<u>398,730</u>	<u>-</u>	<u>398,730</u>	<u>386,306</u>
NET INCOMING/(OUTGOING) RESOURCES		(58,571)	-	(58,571)	42,563
Other recognised gains/(losses)					
Losses on investment assets		<u>(4,781)</u>	<u>-</u>	<u>(4,781)</u>	<u>13,564</u>
Net movement in funds		(63,352)	-	(63,352)	56,127
Total funds brought forward		458,557	2,342	460,899	404,772
TOTAL FUNDS CARRIED FORWARD		<u>395,205</u>	<u>2,342</u>	<u>397,547</u>	<u>460,889</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**Spiritus Theological College
Report of the Trustees
For the Year Ended 31 August 2025**

		Unrestricted fund	Restricted fund	2025 £	2024 £
FIXED ASSETS	Note				
Tangible assets	10	2,813	-	2,813	3,642
Investments	11	193,386	-	193,386	199,445
Total fixed assets		<u>196,199</u>	<u>-</u>	<u>196,199</u>	<u>203,087</u>
CURRENT ASSETS					
Debtors	12	16,894	-	16,894	2,363
Cash at hand and in bank		210,272	2,342	212,614	270,031
Total current assets		<u>227,166</u>	<u>2,342</u>	<u>229,508</u>	<u>272,394</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(28,160)	-	(28,160)	(14,582)
NET CURRENT ASSETS		<u>199,006</u>	<u>2,342</u>	<u>201,348</u>	<u>257,812</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		395,205	2,342	397,547	460,899
NET ASSETS		<u>395,205</u>	<u>2,342</u>	<u>397,547</u>	<u>460,899</u>
FUNDS					
Unrestricted funds				395,205	458,557
Restricted funds				2,342	2,342
Pension fund				-	-
Total Charity funds				<u>397,547</u>	<u>460,899</u>

The financial statements were approved by the Board of Trustees on 28/11/26 and were signed on its behalf by:

M. A. Ludlow

Rev'd Canon Prof. Morwenna Ludlow – Chair of Trustees

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

Spiritus Theological College is a Charity incorporated in England. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to deliver ministerial formation.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: 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 issued in October 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025**

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 18.

Library

No monetary value is attributed to the library and all expenditure is written off to the income and expenditure account.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Significant judgements and key sources of estimation uncertainty

The accounts contain significant judgements and estimates as follows:

Accruals and prepayments which are based on information available at the time of the audit.

2. INVESTMENT INCOME

	2025 £	2024 £
Deposit account interest	5,931	4,470
	<u>5,931</u>	<u>4,470</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2025 £	2024 £
Anglican student fees	195,978	154,677
Miscellaneous income	29,459	6,645
Diocese of Exeter Service Contracts	108,791	263,077
	<u>334,228</u>	<u>424,399</u>

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

4. CHARITABLE ACTIVITIES COSTS

	2025	2024
	£	£
Academic costs	11,177	8,484
Employment costs	235,474	248,154
Establishment costs	30,953	30,658
Encountering Theology	101,786	78,473
	<u>379,390</u>	<u>365,769</u>

5. GOVERNANCE COSTS

	2025	2024
	£	£
Trustees' expenses	-	75
Auditors' remuneration	9,300	6,270
Accountancy and professional fees	10,040	14,192
	<u>19,340</u>	<u>20,537</u>

6. NET INCOMING RESOURCES

Net resources are stated after charging:

	2025	2024
	£	£
Depreciation - owned assets	2,001	1,401
	<u>2,001</u>	<u>1,401</u>

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2025 nor for the year ended 31 August 2024

	2025 £	2024 £
Trustees' expenses	-	75
	<u> </u>	<u> </u>

8. STAFF COSTS

	2025 £	2024 £
Wages and salaries	198,023	200,861
Social security costs	8,737	11,860
Other pension costs	23,092	26,603
	<u>229,852</u>	<u>239,324</u>

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

	2025 £	2024 £
Staff	10	10
	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	2024 Total Funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2	4,470	-	4,470
Incoming resources from charitable activities				
	3	424,399	-	424,399
		<u>428,869</u>	<u>-</u>	<u>428,869</u>
RESOURCES EXPENDED				
Charitable activities	4	365,103	666	365,769
Governance costs	5	20,537	-	20,537
		<u>385,640</u>	<u>666</u>	<u>386,306</u>
NET INCOMING RESOURCES		43,229	(666)	42,563
Other recognised gains/(losses)				
Gains on investment assets		13,564	-	13,564
		<u>56,793</u>	<u>(666)</u>	<u>56,127</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		401,764	3,008	404,772
TOTAL FUNDS CARRIED FORWARD		<u>458,557</u>	<u>2,342</u>	<u>460,899</u>

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

10. TANGIBLE FIXED ASSETS

	Office Furniture £	Computer Equipment £	Total £
Cost			
Cost b/f	5,996	13,889	19,885
Additions	-	1,172	1,172
Disposals	-	-	-
Cost c/f	<u>5,996</u>	<u>15,061</u>	<u>21,057</u>
Depreciation			
Depreciation b/f	4,743	11,500	16,243
Charge for the year	594	1,407	2,001
Eliminated on disposal	-	-	-
Depreciation c/f	<u>5,337</u>	<u>12,907</u>	<u>18,244</u>
Net Book Value			
Net book value carried forward	659	2,154	2,813
Net book value brought forward	<u>1,253</u>	<u>2,389</u>	<u>3,642</u>

11. INVESTMENTS

	Investments £
Market value	
At 1 September 2024	199,445
Revaluations	(6,059)
At 31 August 2025	<u>193,386</u>
Net Book Value	
At 31 August 2025	193,386
At 31 August 2024	<u>199,445</u>

Investments are held with CCLA

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade debtors	9,813	60
Other debtors	7,081	2,303
	<u>16,894</u>	<u>2,363</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Trade creditors	7,495	340
Taxation and social security	3,227	5,168
Other creditors	17,438	9,074
	<u>28,160</u>	<u>14,582</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund	Restricted fund	2025	2024
	£	£	£	£
Fixed assets	196,199	-	196,199	203,087
Current assets	227,166	2,342	229,508	272,394
Current liabilities	(28,160)	-	(28,160)	(14,582)
	<u>395,205</u>	<u>2,342</u>	<u>397,547</u>	<u>460,899</u>

Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025

15. MOVEMENT IN FUNDS

	At 01/09/2024 £	Net movement in funds £	At 31/08/2025 £
Unrestricted funds			
General and designated funds	458,557	(63,352)	395,205
Restricted funds			
Restricted fund	2,342	-	2,342
TOTAL FUNDS	<u>460,899</u>	<u>(63,352)</u>	<u>397,547</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	340,159	398,730	(4,781)	(63,352)
Restricted funds				
Restricted fund	-	-	-	-
	<u>340,159</u>	<u>398,730</u>	<u>(4,781)</u>	<u>(63,352)</u>

16. FINANCIAL COMMITMENTS

At 31 August 2025 the charity had total commitments under non-cancellable operating leases over the remaining life of those leases of £Nil (2024 - £Nil).

17. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed.

During the year £15,645 (2024: £9,906) of income was received from The Truro Diocesan Board of Finance Limited, an entity with shared trustees.

**Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025**

18. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the charity and the cost, charges and expenses of winding up.

19. PENSION AND OTHER POST-RETIREMENT BENEFITS

Church Workers Pension Fund (CWPF)

Spiritus Theological College participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable of £4,902 (2024: £8,342).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2024. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2025. Calculations for this are currently under way.

**Spiritus Theological College
Notes to the Financial Statements
For the Year Ended 31 August 2025**

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Spiritus Theological College could become responsible for paying a share of the failed employer's pension liabilities.

Church of England Funded Pension Fund (CEFPS)

Spiritus Theological College participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, which were £18,190 in 2025 (2024: £18,261), plus any figures arising from contributions in respect of any Scheme deficit.

A valuation of the Scheme is carried out once every three years. The 2021 valuation showed the Scheme to be fully funded. The most recent Scheme valuation completed was carried out at as 31 December 2024, and also showed the Scheme to be fully funded; as such in 2025, the deficit contributions paid were £0 (2024: £0).

The December 2024 valuation revealed a surplus of £560m, based on assets of £2,570m and a funding target of £2,010m, assessed using the following assumptions:

- An average discount rate of 6.0% pa;
- RPI inflation of 3.4% pa (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.7% pa pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increases in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S4NA_L tables, with allowance for improvements in mortality rates from 2017 in line with the CMI2023 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 and 2021 data of 20% (i.e. $w = 20\%$).

The 2024 valuation reflects the benefit improvements that the General Synod agreed in principle in July 2025 (and confirmed in February 2026).

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there were no deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2024 and 31 December 2025 is nil.

Accounts

REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2024
for
South West Ministry Training Course**

Gravita Audit Western Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

**South West Ministry Training Course
Contents of the Financial Statements
For the Year Ended 31 August 2024**

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**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2024**

The trustees present their report with the financial statements of the Charity for the year ended 31 August 2024. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1056606

Registered office

The Epiphany Trust (Truro) Ltd
Kenwyn Church Road
Truro
Cornwall
TR1 3DR

Trustees

The Rt Rev'd Robert Atwell	Resigned 30 September 2023
Rev'd Canon Prof. Morwenna Ludlow	
The Rt Rev'd Philip Mounstephen	Resigned 10 October 2023
Sally Piper	Resigned 6 December 2023
The Rt Rev'd Hugh Nelson	
Dr Jonathan Curtis	Resigned 8 February 2024
Charles Mills	
Hamish Adam	Resigned 30 April 2025
The Rt. Revr'd James Grier	
Hannah Foster	Appointed 21/03/2025
Dr Adam Dunning	Appointed 21 December 2023

Auditors

Gravita Audit Western Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and governing document

The main activity of the Charity since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The Charity also provides open-access theological education, and supports research. The Charity is a registered charity (number 1056606.)

The company was converted to a Charitable Incorporated Organisation (CIO) on 20 February 2020 and is now governed by a foundation trust deed. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the Charity and the costs, charges and expenses of winding up.

New trustees are provided with a full induction to the Charity and training is provided where required.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2024**

The trustees are empowered to manage the strategic business of the Charity, to exercise all the powers of the Charity and to appoint a Principal, to be responsible for the everyday operations of the Charity.

The trustees have established finance and HR committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the Charity through its contacts with church leaders.

The trustees and members of the board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The main risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The South West Ministry Training Course's vision is to deliver ministerial formation that is Christ-centred, world-engaging, rooted in local communities, and involves lay and ordained working generously and collaboratively together. It seeks to achieve this vision, which we call Theology for Living, through an integrated academic and formational curriculum cultivating adventurous faith, missional hope and grounded love.

In recent years our hope is to have 20 ordination students and 20 LLM (Reader) trainees. We also offer theological education to members of the public. We hope to grow the numbers of students by diversifying what we offer in order to provide financial stability. We are actively engaged in business planning which includes marketing our courses more actively. However, some of these levels of recruitment are outside our control and we have to adopt a flexible strategy in order to react to the changing patterns of recruitment and selection by the churches.

Our relationships with the Anglican dioceses of the South West are strong.

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:

1. the benefit that arises from the Charity's aims are that;
 - a. the Charity is able to advance the Christian religion by the promotion of theological education, training and research; and
 - b. the Charity is able to contribute to the advancement and promotion of the Christian religion.
2. the Charity's aims intend to benefit the public generally;
3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and
4. nobody receives any private benefit from the Charity.

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2024**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the charity is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates, Licensed Lay Ministers (Readers) in training and others engaged in ministerial training. We work closely with our local dioceses of Truro and Exeter, and look forward to closer partnership with St Mellitus South West through the South West Training Partnership Board.

Income for the year totalled £428,869 (2023 - £421,184). Expenditure for the year totalled £386,306 (2023 - £402,659).

Student numbers

There were 18 LLMs (Readers) in training from the Diocese of Exeter and 4 LLMs (Readers) in Training from the Diocese of Truro. We trained 13 ordinands from both dioceses, with 5 leaving at the end of the academic year to be ordained deacon. We also had 13 Independent students doing a range of course from Certificate to BA.

Academic Quality Assurance

The External Examiner for 2023-2024 said, 'The curriculum is designed well, demonstrating clear guidance from the policies of the university. The overarching design aligns with the structure of Common Awards programmes, which should allow a strong parity of experience when compared to student experience at other TEIs. The student work I examined was of a quality to be expected within the sector, particularly allowing for non-traditional student representation within this particular field of study. Assessment procedures are being followed overall, with the core team working well to ensure that policies are applied across the board.' The External Examiner also noted that 'SWMTC has recently expanded its provision, demonstrating a reflexive approach to its offerings. It will be interesting to see how this develops in the coming years.'

Formation Programmes

In 2023-24 we continued to evaluate how we address the formation of our ministerial students, making changes to ensure it is relevant and rigorous. The formational 'thread' consists of 1) Formation Sessions on the Sundays of residential weekends, 2) The Learning Journal, which is discussed with a Journal Tutor, 3) the Formation Groups which meet between each residential and 4) Easter/Lent School. A Formation subgroup was instigated to ensure the 'qualities' were adequately covered across teaching and times of discussion and reflection.

We also reviewed the structure of our residential weekends. Students no longer stay overnight on Fridays and to compensate this, more sessions have been added to Sundays.

Financial sustainability

The service level agreements with both the Diocese of Exeter and Truro ended in August 2024. These contracts cover the Charity for the delivery of the training of Licensed Lay Ministers (LLM), the supervision of newly/recently ordained ministers in their Curacy (IME) and a Foundation in Christian Ministry (FiCM) course which is considered a necessary programme of study preparing candidates for LLM training. Part of the IME and all the FiCM course has been taken in house by the Diocese, therefore reducing the overall funding going forward. In addition, both Diocese have indicated an unwillingness to fund the training of LLM at the current level and asked for the funding to be renegotiated. This process took place between October and December of 2024 and the per capita cost has been substantially reduced to about half of the current level.

The Charity has introduced three new programmes of study to its portfolio aimed to decrease the anticipated change in funding and is seeking to explore further courses to enhance funding opportunities. Several grant opportunities are being explored which should identify areas of study pertinent to the education and training of ministries within the Church of England as well as the wider Church. Furthermore the Charity has moved premises in August 2024 to reduce overheads.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2024**

Staff

Rev Anna Creedon took over from Rev Sue Sheppard as Staff tutor in January 2024, Mrs Hannah Cross replaced Mrs Cheryl Hunt as Academic Registrar in August 2024. The Rev Elly Sheard joined SWMTC as Staff Tutor for Truro Ordinands. Rev Kim Mathers was transferred under TUPE to Exeter Diocese in her role as IME phase 2 Officer at the end of the academic year.

Organisation

The Service Level Agreement with Exeter Diocese was under revision and from September 2024 SWMTC no longer provides FICM (Foundations in Christian Ministry) Training for the Diocese. IME phase 2 provision has also been taken 'in-house' by Exeter diocese. This means that SWMTC only provides Ordinand and Reader training for Exeter Diocese. This is also the case for Truro Diocese.

Dr Ben Aldous and the Rev Adam Dunning joined SWMTC as a Trustees.

Safeguarding

Safeguarding continues to take a very high priority at SWMTC. The Safeguarding officers are Mrs Elaine Cook, the Rev Dominic Cyrus and the Rev Lucy Larkin. The trustee responsible for safeguarding is the Rev Prof Morwenna Ludlow. The Safeguarding Officers and the Principal all completed the National Leadership Pathway training during the course of the year. We ensure that our students attend the relevant safeguarding training and weave safeguarding into the academic and formational teaching.

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- to cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- to ensure that funds are available to meet the legal employment entitlements of Charity staff;
- to enable the Charity to meet emergency calls arising from property damage or equipment failures;
- to enable the Charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the Charity is to hold in the general reserve sufficient funds to cover not less than three months of normal working expenditure.

At the year-end a total of £460,899 (2023 - £404,772) was held in reserves. The level of reserves is considered to be adequate.

Plans for future periods

The Charity's objects for the future are to make a surplus in order that the Charity's reserves can be augmented and maintained in accordance with the reserves policy. Due to the overall drop in income from the Service Level Agreement with Exeter diocese, the charity is forecast to undergo a loss in the next academic year, however future business planning is underway, and the charity is looking to alternative sources of revenue to mitigate losses in future years.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are ethical.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2024**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charities law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Charity trustees

AUDITORS

The auditors, Gravita Audit Western Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 25 June 2025 and signed on its behalf by:



The Rt Rev'd Hugh Nelson – Chair of Trustees

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2024**

Opinion

We have audited the financial statements of South West Ministry Training Course for the year ended 31 August 2024 which comprise Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustee's annual report, other than the financial statements and our Report of the Independent Auditors thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2024**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charity for the purposes of law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

The objectives of our audit 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 the auditor's opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing (UK) (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

1. We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: The Charities Commission, UK GAAP, the Charities SORP, Occupational Health and Safety regulations, Employment Law, Data Protection Act and GDPR.
2. We obtained an understanding of how the charity are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.
3. We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2024**

- 3.1. Identifying and assessing the controls management has in place to prevent and detect fraud;
- 3.2. Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3.3. Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular in relation to accruals and prepayments;
- 3.4. Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- 3.5. Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 collusions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Benjamin de Cruz

Benjamin de Cruz BA FCA (Senior Statutory Auditor)
for and on behalf of Gravita Audit Western Limited, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 26 June 2025

**South West Ministry Training Course
Statement of Financial Activities
For the year ended 31 August 2024**

		Unrestricted Funds £	Restricted Funds £	2024 £	2023 £
INCOMING RESOURCES	Note				
Incoming resources from generated funds					
Investment income	2	4,470	-	4,470	1,154
Incoming resources from charitable activities	3	424,399	-	424,399	420,030
Total incoming resources		<u>428,869</u>	<u>-</u>	<u>428,869</u>	<u>421,184</u>
RESOURCES EXPENDED					
Charitable activities	4	365,103	666	365,769	385,593
Governance costs	5	20,537	-	20,537	17,066
Total resources expended		<u>385,640</u>	<u>666</u>	<u>386,306</u>	<u>402,659</u>
NET INCOMING/(OUTGOING) RESOURCES		43,229	(666)	42,563	18,525
Other recognised gains/(losses)					
Losses on investment assets		<u>13,564</u>	<u>-</u>	<u>13,564</u>	<u>(3,008)</u>
Net movement in funds		56,793	(666)	56,127	15,517
Total funds brought forward		401,764	3,008	404,772	389,255
TOTAL FUNDS CARRIED FORWARD		<u><u>458,557</u></u>	<u><u>2,342</u></u>	<u><u>460,899</u></u>	<u><u>404,772</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**South West Ministry Training Course
Balance Sheet
As at 31 August 2024**

				£	£
FIXED ASSETS	Note				
Tangible assets	10	3,642	-	3,642	3,925
Investments	11	199,445	-	199,445	183,926
Total fixed assets		<u>203,087</u>	<u>-</u>	<u>203,087</u>	<u>187,851</u>
CURRENT ASSETS					
Debtors	12	2,363	-	2,363	1,997
Cash at hand and in bank		267,689	2,342	270,031	233,111
Total current assets		<u>270,052</u>	<u>2,342</u>	<u>272,394</u>	<u>235,108</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	13	(14,582)	-	(14,582)	(18,187)
NET CURRENT ASSETS		<u>255,470</u>	<u>2,342</u>	<u>257,812</u>	<u>216,921</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		458,557	2,342	460,899	404,772
NET ASSETS		<u>458,557</u>	<u>2,342</u>	<u>460,899</u>	<u>404,772</u>
FUNDS					
Unrestricted funds				458,557	401,764
Restricted funds				2,342	3,008
Pension fund				-	-
Total Charity funds				<u>460,899</u>	<u>404,772</u>

The financial statements were approved by the Board of Trustees on 25 June 2025 and were signed on its behalf by:



The Rt. Rev'd. Hugh Nelson – Chair of Trustees

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

South West Ministry Training Course is a Charity incorporated in England. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to deliver ministerial formation.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: 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 issued in October 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024**

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 18.

Library

No monetary value is attributed to the library and all expenditure is written off to the income and expenditure account.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Significant judgements and key sources of estimation uncertainty

The accounts contain significant judgements and estimates as follows:

Accruals and prepayments which are based on information available at the time of the audit.

2. INVESTMENT INCOME

	2024 £	2023 £
Deposit account interest	4,470	1,154
	<u>4,470</u>	<u>1,154</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2024 £	2023 £
Anglican student fees	154,677	153,163
Miscellaneous income	6,645	6,586
Diocese of Exeter Service Contracts	263,077	260,281
	<u>424,399</u>	<u>420,030</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024

4. CHARITABLE ACTIVITIES COSTS

	2024	2023
	£	£
Academic costs	8,484	10,185
Employment costs	248,154	253,503
Establishment costs	30,658	32,878
Encountering Theology	78,473	89,027
Other	-	-
	<u>365,769</u>	<u>385,593</u>

5. GOVERNANCE COSTS

	2024	2023
	£	£
Trustees' expenses	75	42
Auditors' remuneration	6,270	5,808
Accountancy and professional fees	14,192	11,216
	<u>20,537</u>	<u>17,066</u>

6. NET INCOMING RESOURCES

Net resources are stated after charging:

	2024	2023
	£	£
Depreciation - owned assets	1,401	900
	<u>1,401</u>	<u>900</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2024 nor for the year ended 31 August 2023.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024**

	2024 £	2023 £
Trustees' expenses	75	42

8. STAFF COSTS

	2024 £	2023 £
Wages and salaries	200,861	203,167
Social security costs	11,860	12,364
Other pension costs	26,603	28,564
	<u>239,324</u>	<u>244,095</u>

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

	2024 £	2023 £
Staff	10	8
	<u>10</u>	<u>8</u>

No employees received emoluments in excess of £60,000.

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

INCOMING RESOURCES

Incoming resources from generated funds

Investment income	2	1,154	-	1,154
Incoming resources from charitable activities	3	420,030	-	420,030
		<u>421,184</u>	<u>-</u>	<u>421,184</u>

RESOURCES EXPENDED

Charitable activities

Governance costs

4	385,593	-	385,593
5	17,066	-	17,066
	<u>402,659</u>	<u>-</u>	<u>402,659</u>

NET INCOMING RESOURCES

18,525 - 18,525

Other recognised gains/(losses)

Gains on investment assets

Actuarial gains/(losses) on defined benefit schemes

(3,008)	-	(3,008)
-	-	-
<u>15,517</u>	<u>-</u>	<u>15,517</u>

RECONCILIATION OF FUNDS

Total funds brought forward

TOTAL FUNDS CARRIED FORWARD

386,247	3,008	389,255
<u>401,764</u>	<u>3,008</u>	<u>404,772</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024

10. TANGIBLE FIXED ASSETS

	Office Furniture £	Computer Equipment £	Total £
Cost			
Cost b/f	5,920	12,847	18,767
Additions	76	1,042	1,118
Disposals	-	-	-
Cost c/f	<u>5,996</u>	<u>13,889</u>	<u>19,885</u>
Depreciation			
Depreciation b/f	4,102	10,740	14,842
Charge for the year	641	760	1,401
Eliminated on disposal	-	-	-
Depreciation c/f	<u>4,743</u>	<u>11,500</u>	<u>16,243</u>
Net Book Value			
Net book value carried forward	<u>1,253</u>	<u>1,389</u>	<u>3,642</u>
Net book value brought forward	<u>1,818</u>	<u>2,107</u>	<u>3,925</u>

11. INVESTMENTS

	Investments £
Market value	
At 1 September 2023	183,926
Revaluations	15,520
At 31 August 2024	<u>199,446</u>
Net Book Value	
At 31 August 2024	<u>199,446</u>
At 31 August 2023	<u>183,926</u>

Investments are held with CCLA

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade debtors	60	117
Other debtors	2,303	1,880
	<u>2,363</u>	<u>1,997</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	340	1,627
Taxation and social security	5,168	5,303
Other creditors	9,074	11,258
	<u>14,582</u>	<u>18,187</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	2024	2023
	fund	fund	£	£
	£	£		
Fixed assets	203,087	-	203,087	187,851
Current assets	270,052	2,342	272,394	235,108
Current liabilities	(14,582)	-	(14,582)	(18,187)
	<u>458,557</u>	<u>2,342</u>	<u>460,899</u>	<u>404,772</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024**

15. MOVEMENT IN FUNDS

	At 01/09/2023 £	Net movement in funds £	At 31/08/2024 £
Unrestricted funds			
General and designated funds	401,764	56,793	458,557
Restricted funds			
Restricted fund	3,008	(666)	2,342
TOTAL FUNDS	<u>404,772</u>	<u>56,127</u>	<u>460,899</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	428,869	(385,640)	13,564	56,793
Restricted funds				
Restricted fund	-	(666)	-	(666)
	<u>428,869</u>	<u>(386,306)</u>	<u>13,564</u>	<u>56,127</u>

16. FINANCIAL COMMITMENTS

At 31 August 2024 the charity had total commitments under non-cancellable operating leases over the remaining life of those leases of £Nil (2023 - £Nil).

17. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed. They have concluded that there have been no such transactions.

18. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the charity and the cost, charges and expenses of winding up.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024**

19. PENSION AND OTHER POST-RETIREMENT BENEFITS

Church Workers Pension Fund (CWPF)

South West Ministry Training Course participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable of £8,342 (2023: £9,407).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

The legal structure of the scheme is such that if another employer fails, South West Ministry Training Course could become responsible for paying a share of the failed employer's pension liabilities.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2024**

Church of England Funded Pension Fund (CEFPS)

South West Ministerial Training Course participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were nil.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

The legal structure of the scheme is such that if another Responsible Body fails, South West Ministerial Training Course could become responsible for paying a share of that failed Responsible Body's pension liabilities.

Accounts

REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2023
for
South West Ministry Training Course**

Haines Watts (Western) Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

**South West Ministry Training Course
Contents of the Financial Statements
For the Year Ended 31 August 2023**

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**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2023**

The trustees present their report with the financial statements of the Charity for the year ended 31 August 2023. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1056606

Registered office

Riverside Church & Conference Centre
13-14 Okehampton Street
Exeter
Devon
EX4 1DU

Trustees

The Rt Rev'd Robert Atwell	
Rev'd Preb Philip Sourbut	Resigned: 30/06/2023
Rev'd Canon Prof. Morwenna Ludlow	
Rev'd Eleanor Sheard	Resigned: 04/07/2023
The Rt Rev'd Philip Mounstephen	
Sally Piper	
The Rt Rev'd Hugh Nelson	
Dr Jonathan Curtis	
Charles Mills	
Rachel Mitchell	Resigned: 04/07/2023
Hamish Adam	
 The Rt. Revr'd James Grier	 Appointed: 04/07/2023

Auditors

Haines Watts (Western) Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and governing document

The main activity of the Charity since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The Charity also provides open-access theological education, and supports research. The Charity is a registered charity (number 1056606.)

The company was converted to a Charitable Incorporated Organisation (CIO) on 20 February 2020 and is now governed by a foundation trust deed. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the Charity and the costs, charges and expenses of winding up.

New trustees are provided with a full induction to the Charity and training is provided where required.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2023**

The trustees are empowered to manage the strategic business of the Charity, to exercise all the powers of the Charity and to appoint a Principal, to be responsible for the everyday operations of the Charity.

The trustees have established finance and HR committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the Charity through its contacts with church leaders.

The trustees and members of the board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The main risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The South West Ministry Training Course's vision is to deliver ministerial formation that is Christ-centred, world-engaging, rooted in local communities, and involves lay and ordained working generously and collaboratively together. It seeks to achieve this vision, which we call Theology for Living, through an integrated academic and formational curriculum cultivating adventurous faith, missional hope and grounded love.

In recent years our hope is to have 22 ordination students, 20 LLM (Reader) trainees, 25 Foundations in Christian Ministry students and 45 curates each year in order to provide financial stability within present staff resources. However, these levels of recruitment are outside our control and we have to adopt a flexible strategy in order to react to the changing patterns of recruitment and selection by the churches.

We offer theological education to members of the public, but the numbers of these students were lower in 2022-23. We are seeking to market these modules more actively.

Our relationships with the Anglican dioceses of the South West are strong.

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:

1. the benefit that arises from the Charity's aims are that;
 - a. the Charity is able to advance the Christian religion by the promotion of theological education, training and research; and
 - b. the Charity is able to contribute to the advancement and promotion of the Christian religion.
2. the Charity's aims intend to benefit the public generally;
3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and
4. nobody receives any private benefit from the Charity.

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2023**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the charity is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates, Licensed Lay Ministers (Readers) in training and others engaged in ministerial training. We work closely with our local dioceses of Truro and Exeter, and look forward to closer partnership with St Mellitus South West through the South West Training Partnership Board.

Income for the year totalled £421,184 (2022 - £461,261). Expenditure for the year totalled £402,659 (2022 - £419,499).

Student numbers

We trained 25 students from the Diocese of Exeter on our Level 3 Foundations in Christian Ministry Course. There were 16 LLMs (Readers) in training from the Diocese of Exeter and 6 LLMs (Readers) in Training from the Diocese of Truro. We trained 16 ordinands from both dioceses, with 8 leaving at the end of the academic year to be ordained deacon. SWMTC runs Initial Ministerial Education Phase 2 for the Exeter Diocese, with a total of 45 curates, including 15 new curates in 2022.

Academic Quality Assurance

The External Examiner for 2022-23 was well satisfied with our students' work and levels of attainment which he found comparable to that at other institutions; our marking was 'secure, moderated well, and falls in line with the Assessment Criteria'. He felt that our students had 'been guided well in their studies in order to achieve solid results'.

Formation Programmes

During 2022-23, we adapted our Reflective Practice Seminar topics in the light of the previous year's experience and further strengthened our induction programme. We also reviewed the structure of our residential weekends with a view to changes from September 2023 onwards.

Sustainability

As a result of a lot of hard work and focussed management, we are able to celebrate a sixth year of budget surplus after many years of increasing deficits. The Board has adopted a Business Plan which states its 'firm intention not to operate with a budget deficit in the future'. In 2022-23 we completed a Vision and Marketing review, which led to our new strapline "Theology for Living" and a new logo. We also began to develop a communications and marketing strategy, including employing a Communications Officer for 3 hours per week, who will revise our publicity material and website.

Staff

Dr John Ievins joined SWMTC in September 2022 as Tutor for LLMs in the Truro Diocese. Revd Hannah Mears took over from Revd Dave Carrington as Director of Lay Training for Exeter Diocese in April 2023. Revd Dr Lucy Larkin took over as Principal from Revd Dr Mark Butchers in August 2023. Fiona Lang became Communications Officer in July 2023. Revd Lisa Coupland became our Operations Manager in August 2023, largely fulfilling the role of our Training Co-ordinator and Administrator, Rev Belinda Speed-Andrews, who moved overseas. Elaine Cook and David Harwood joined SWMTC as voluntary LLM support tutors in January and August 2023 respectively. To reduce costs, we also made our Finance Officer, Sharon Gove redundant, outsourcing bookkeeping and covering other work inhouse. There were no other staffing changes during 2022-23.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2023**

Organisation

There were no changes to the organisational structure of SWMTC in 2022-23. The Exeter and Truro Dioceses initiated a review of their ministry and training needs during the year. The outcome of this will involve organisational changes from September 2024. We revised and updated all our Policy documents in 2022-23.

Safeguarding

Safeguarding continues to take a very high priority at SWMTC. The Revd Belinda Speed-Andrews served as one of our two staff Safeguarding Officers throughout the year. The Revd Dave Carrington served as the other Officer until the end of March 2023 when Elaine Cook took over from him. The Safeguarding Officers and the Principal all completed the National Leadership Pathway training during the course of the year. We ensure that our students attend the relevant safeguarding training and weave safeguarding into the academic teaching, particularly the pastoral and reflective practice modules.

Overall, despite uncertainty relating to the Diocesan review and staff sickness, 2022-23 was a good year for SWMTC academically, formationally and financially.

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- to cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- to ensure that funds are available to meet the legal employment entitlements of Charity staff;
- to enable the Charity to meet emergency calls arising from property damage or equipment failures;
- to enable the Charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the Charity is to hold in the general reserve sufficient funds to cover not less than three months of normal working expenditure.

At the year-end a total of £404,772 (2022 - £389,255) was held in reserves. The level of reserves is considered to be adequate.

Plans for future periods

The Charity's objects for the future are to make a surplus in order that the Charity's reserves can be augmented and maintained in accordance with the reserves policy.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are strictly ethical.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charities law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2023**

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Charity trustees

AUDITORS

The auditors, Haines Watts (Western) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 23 April 2024 and signed on its behalf by:



The Rt Rev'd Hugh Nelson – Chair of Trustees

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2023**

Opinion

We have audited the financial statements of South West Ministry Training Course for the year ended 31 August 2023 which comprise Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustee's annual report, other than the financial statements and our Report of the Independent Auditors thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2023**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charity for the purposes of law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

The objectives of our audit 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 the auditor's opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing (UK) (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

1. We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: The Charities Commission, UK GAAP, Occupational Health and Safety regulations, Employment Law, Data Protection Act and GDPR.
2. We obtained an understanding of how the charity are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.
3. We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2023**

- 3.1. Identifying and assessing the controls management has in place to prevent and detect fraud;
- 3.2. Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3.3. Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular in relation to accruals and prepayments;
- 3.4. Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- 3.5. Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 collusions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Benjamin de Cruz BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts (Western) Limited, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 23 April 2024

**South West Ministry Training Course
Statement of Financial Activities
For the year ended 31 August 2023**

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	1,154	-	1,154	2,258
Incoming resources from charitable activities	420,030	-	420,030	459,003
Total incoming resources	<u>421,184</u>	<u>-</u>	<u>421,184</u>	<u>461,261</u>
RESOURCES EXPENDED				
Charitable activities	385,593	-	385,593	407,212
Governance costs	17,066	-	17,066	12,287
Total resources expended	<u>402,659</u>	<u>-</u>	<u>402,659</u>	<u>419,499</u>
NET INCOMING/(OUTGOING) RESOURCES	18,525	-	18,525	41,762
Other recognised gains/(losses)				
Losses on investment assets	(3,008)	-	(3,008)	-
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net movement in funds	15,517	-	15,517	41,762
Total funds brought forward	386,247	3,008	389,255	347,493
TOTAL FUNDS CARRIED FORWARD	<u>401,764</u>	<u>3,008</u>	<u>404,772</u>	<u>389,255</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**South West Ministry Training Course
Balance Sheet
As at 31 August 2023**

	Unrestricted fund	Restricted fund	2023 £	2022 £
FIXED ASSETS				
Tangible assets	3,925	-	3,925	2,456
Investments	-	-	-	-
Total fixed assets	<u>3,925</u>	<u>-</u>	<u>3,925</u>	<u>2,456</u>
CURRENT ASSETS				
Debtors	1,997	-	1,997	(575)
Cash at hand and in bank	414,029	3,008	417,037	403,767
Total current assets	<u>416,026</u>	<u>3,008</u>	<u>419,037</u>	<u>403,192</u>
CURRENT LIABILITIES				
Creditors: amounts falling due within one year	(18,187)	-	(18,187)	(16,393)
NET CURRENT ASSETS	<u>397,839</u>	<u>3,008</u>	<u>400,847</u>	<u>386,799</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	401,764	3,008	404,772	389,255
PENSION LIABILITY	-	-	-	-
NET ASSETS	<u>401,764</u>	<u>3,008</u>	<u>404,772</u>	<u>389,255</u>
FUNDS				
Unrestricted funds			401,764	386,247
Restricted funds			3,008	3,008
Pension fund			-	-
Total Charity funds			<u>404,772</u>	<u>389,255</u>

The financial statements were approved by the Board of Trustees on 23 April 2024 and were signed on its behalf by:



The Rt. Rev'd. Hugh Nelson – Chair of Trustees

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

South West Ministry Training Course is a Charity incorporated in England. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to deliver ministerial formation.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: 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 issued in October 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 18.

Library

No monetary value is attributed to the library and all expenditure is written off to the income and expenditure account.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Judgements and key sources of estimation uncertainty

The accounts contain significant judgements and estimates as follows:

Accruals and prepayments which are based on information available at the time of the audit.

Depreciation which is based on the directors best estimate of the life of each asset class.

2. INVESTMENT INCOME

	2023 £	2022 £
Deposit account interest	1,154	2,258
Other interest	-	-
	<u>1,154</u>	<u>2,258</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2023 £	2022 £
Anglican student fees	153,163	177,720
Miscellaneous income	6,586	123
Diocese of Exeter Service Contracts	260,281	281,160
	<u>420,030</u>	<u>459,003</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

4. CHARITABLE ACTIVITIES COSTS

	2023	2022
	£	£
Academic costs	10,185	11,326
Employment costs	253,503	275,923
Establishment costs	32,878	31,989
Encountering Theology	89,027	87,974
Other	-	-
	<u>385,593</u>	<u>407,212</u>

5. GOVERNANCE COSTS

	2023	2022
	£	£
Trustees' expenses	42	-
Auditors' remuneration	5,808	2,970
Accountancy and professional fees	11,216	9,317
	<u>17,066</u>	<u>12,287</u>

6. NET INCOMING RESOURCES

Net resources are stated after charging:

	2023	2022
	£	£
Depreciation - owned assets	900	1,208
	<u> </u>	<u> </u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2023 nor for the year ended 31 August 2022.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

	2023 £	2022 £
Trustees' expenses	42	-
	<u>42</u>	<u>-</u>

8. STAFF COSTS

	2023 £	2022 £
Wages and salaries	203,167	222,082
Social security costs	12,364	13,315
Other pension costs	28,564	44,858
	<u>244,095</u>	<u>280,255</u>

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

	2023 £	2022 £
Staff	8	10
	<u>8</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	2022 Total Funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2	2,258	-	2,258
Incoming resources from charitable activities				
	3	459,003	-	459,003
		<u>461,261</u>	<u>-</u>	<u>461,261</u>
RESOURCES EXPENDED				
Charitable activities	4	411,545	(4,333)	407,212
Governance costs	5	12,287	-	12,287
		<u>423,832</u>	<u>(4,333)</u>	<u>419,499</u>
NET INCOMING RESOURCES		37,429	4,333	41,762
Other recognised gains/(losses)				
Gains on investment assets		-	-	-
Actuarial gains/(losses) on defined benefit schemes		-	-	-
		<u>37,429</u>	<u>4,333</u>	<u>41,762</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		348,818	(1,325)	347,493
TOTAL FUNDS CARRIED FORWARD		<u>386,247</u>	<u>3,008</u>	<u>389,255</u>
OTHER COMPREHENSIVE INCOME				
Net incoming resources for the year		37,429	4,333	41,762
Other comprehensive incoming/(outgoing) resources		-	-	-
Total comprehensive net incoming resources		<u>37,429</u>	<u>4,333</u>	<u>41,762</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023

10. TANGIBLE FIXED ASSETS

	Office Furniture £	Computer Equipment £	Total £
Cost			
Cost b/f	5,652	10,746	16,398
Additions	268	2,101	2,369
Disposals	-	-	-
Cost c/f	<u>5,920</u>	<u>12,847</u>	<u>18,767</u>
Depreciation			
Depreciation b/f	3,524	10,418	13,942
Charge for the year	578	322	900
Eliminated on disposal	-	-	-
Depreciation c/f	<u>4,102</u>	<u>10,740</u>	<u>14,842</u>
Net Book Value			
Net book value carried forward	<u>1,818</u>	<u>2,107</u>	<u>3,925</u>
Net book value brought forward	<u>2,128</u>	<u>328</u>	<u>2,456</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	117	(2,034)
Other debtors	1,880	1,459
	<u>1,997</u>	<u>(575)</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	1,627	5
Taxation and social security	5,303	5,510
Other creditors	11,258	10,878
	<u>18,187</u>	<u>16,393</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Fixed assets	3,925	-	3,925	2,456
Current Assets	416,026	3,008	419,034	403,192
Current Liabilities	(18,187)	-	(18,187)	(16,393)
	<u>401,764</u>	<u>3,008</u>	<u>404,772</u>	<u>389,255</u>

14. MOVEMENT IN FUNDS

	At 01/09/2022 £	Net movement in funds £	At 31/08/2023 £
Unrestricted funds			
General and designated funds	386,247	15,517	401,764
Restricted funds			
Restricted fund	3,008	-	3,008
Pension fund	-	-	-
TOTAL FUNDS	<u>389,255</u>	<u>15,517</u>	<u>404,772</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	421,184	(402,659)	(3,008)	15,517
Restricted funds				
Restricted fund	-	-	-	-
Pension fund	-	-	-	-
	<u>421,184</u>	<u>(402,659)</u>	<u>(3,008)</u>	<u>15,517</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

15. FINANCIAL COMMITMENTS

At 31 August 2023 the charity had total commitments under non-cancellable operating leases over the remaining life of those leases of £Nil (2022 - £16,760).

16. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed. They have concluded that there have been no such transactions.

17. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the charity and the cost, charges and expenses of winding up.

18. PENSION AND OTHER POST-RETIREMENT BENEFITS

Church Workers Pension Fund (CWPF)

South West Ministry Training Course participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
 - a. a deferred annuity section known as Pension Builder Classic, and,
 - b. a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

Pension Builder Classic provides a pension, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Discretionary increases may also be added, depending on investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are the contributions payable of £9,407 (2022: £12,153).

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019.

For the Pension Builder Classic section, the 2019 valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2024, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 5% (where usually it would be calculated based on inflation up to 2.5%). This followed improvements in the funding position over 2023. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the 2019 valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The next valuation is due as at 31 December 2022. Calculations for this are currently under way.

The legal structure of the scheme is such that if another employer fails, South West Ministry Training Course could become responsible for paying a share of the failed employer's pension liabilities.

Church of England Funded Pension Fund (CEFPS)

South West Ministerial Training Course participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions Scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year plus any figures arising from contributions in respect of the Scheme's deficit (see below). The 2021 valuation showed the Scheme to be fully funded and as such in 2023, following the valuation results being agreed, the deficit contributions paid were £0.

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates from 2013 in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was fully funded.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2023**

The deficit recovery contributions under the recovery plan in force at each 31 December were as follows:

	% of pensionable stipends
31 December 2021	7.1% payable from January 2021 to December 2022
31 December 2022	Nil
31 December 2023	Nil

An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from April 2022, and remained in place until December 2022.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2023	2022
	£	£
Balance sheet liability at 1 September	-	4,333
Deficit contribution paid	-	(4,333)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	-
Balance sheet liability at 31 August	-	-

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2023	December 2022	December 2021
Discount rate	n/a	n/a	0.0% pa
Price inflation	n/a	n/a	n/a
Increase to total pensionable payroll	n/a	n/a	-1.5% pa

The legal structure of the scheme is such that if another Responsible Body fails, South West Ministerial Training Course could become responsible for paying a share of that failed Responsible Body's pension liabilities.

Accounts

REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2022
for
South West Ministry Training Course**

Haines Watts Accountants (Exeter) Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

**South West Ministry Training Course
Contents of the Financial Statements
For the Year Ended 31 August 2022**

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**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2022**

The trustees present their report with the financial statements of the Charity for the year ended 31 August 2022. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

1056606

Registered office

Riverside Church & Conference Centre
13-14 Okehampton Street
Exeter
Devon
EX4 1DU

Trustees

The Rt Rev'd Robert Atwell	
Rev'd Preb Philip Sourbut	
Rev'd Canon Prof. Morwenna Ludlow	
Rev'd Eleanor Sheard	
The Rt Rev'd Philip Mounstephen	
Sally Piper	Appointed: 27/04/2022
The Rt Rev'd Hugh Nelson	
Dr Jonathan Curtis	
Charles Mills	
Rachel Mitchell	
Hamish Adam	Appointed: 27/04/2022
The Rt. Rev'd Nicholas McKinnel (Chair)	Resigned: 05/07/2022
The Rev'd Lionel Stock	Resigned: 31/01/2022
The Rev'd Dr Jonathan Rowe	Resigned: 26/04/2022

Auditors

Haines Watts Accountants (Exeter) Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and governing document

The main activity of the Charity since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The Charity also provides open-access theological education, and supports research. The Charity is a registered charity (number 1056606.)

The company was converted to a Charitable Incorporated Organisation (CIO) on 20 February 2020 and is now governed by a foundation trust deed. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the Charity and the costs, charges and expenses of winding up.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2022**

New trustees are provided with a full induction to the Charity and training is provided where required.

The trustees are empowered to manage the strategic business of the Charity, to exercise all the powers of the Charity and to appoint a Principal, to be responsible for the everyday operations of the Charity.

The trustees have established finance and HR committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the Charity through its contacts with church leaders.

The trustees and members of the board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The main risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The South West Ministry Training Course's vision is to deliver ministerial formation that is Christ-centred, world-engaging, rooted in local communities, and involves lay and ordained working generously and collaboratively together. It seeks to achieve this vision through an integrated academic and formational curriculum cultivating adventurous faith, missional hope and grounded love.

We hope to have 22 ordination students, 20 LLM (Reader) trainees, 25 Foundations in Christian Ministry students and 45 curates each year in order to provide financial stability within present staff resources. These levels of recruitment are outside our control and we have to adopt a flexible strategy in order to react to the changing patterns of recruitment and selection by the churches.

We offer theological education to members of the public and numbers of these students are steady. We are seeking to market these modules more actively.

Our relationships with the Anglican dioceses of the South West are strong.

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:

1. the benefit that arises from the Charity's aims are that;
 - a. the Charity is able to advance the Christian religion by the promotion of theological education, training and research; and
 - b. the Charity is able to contribute to the advancement and promotion of the Christian religion.
2. the Charity's aims intend to benefit the public generally;
3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and
4. nobody receives any private benefit from the Charity.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2022**

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the charity is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates, Licensed Lay Ministers (Readers) in training and others engaged in ministerial training. We work closely with our local dioceses of Truro and Exeter, and look forward to closer partnership with St Mellitus South West through the South West Training Partnership Board.

Income for the year totalled £461,261 (2021 - £454,866). Expenditure for the year totalled £419,499 (2021 - £339,963).

Student numbers

We trained 27 students from the Diocese of Exeter on our Level 3 Foundations in Christian Ministry Course. There were 20 LLMs (Readers) in training from the Diocese of Exeter and 6 LLMs (Readers) in Training from the Diocese of Truro. We trained 22 ordinands from both dioceses, with 9 leaving at the end of the academic year to be ordained deacon. SWMTC runs Initial Ministerial Education Phase 2 for the Exeter Diocese, with a total of 45 curates, including 16 new curates in 2021.

Academic Quality Assurance

Our new external examiner, Dr Stephen Wright submitted a positive report on the academic teaching at SWMTC in 2021-22. He noted in particular SWMTC's innovative application of the Common Awards curriculum by focusing each weekend around a theme which is examined from biblical, doctrinal, spiritual and applied perspectives. The Durham University follow-up report in response to our Annual Self Evaluation also affirmed the work of SWMTC. Student feedback at the end of the year showed improved levels of satisfaction, not least with feedback on assignments which the staff had worked to strengthen.

Formation Programmes

During 2021-22, we introduced revised Reflective Practice Seminar topics, strengthened our induction programme, implemented a new formational session at our residential weekends and revised our worship guidelines and Lent/Easter School programmes. We also implement a revised IME2 training programme in consultation with the Exeter Diocese.

Sustainability

As a result of a lot of hard work and focussed management, we are able to celebrate a fifth year of budget surplus after many years of increasing deficits. The Board has adopted a Business Plan which states its 'firm intention not to operate with a budget deficit in the future'. In 2021-22 we began a Vision and Marketing review. This will flow through into practical work on a communications and marketing strategy.

Staff

Richard Foster joined the SWMTC voluntary Chaplaincy team in October 2021. Chris Halls retired as Academic Administrator in June 2021 and we recruited Joan Ridgway to fill that post and to serve as our Librarian. Revd Jane Kneebone retired as Director of Reader Training for the Truro Diocese in July 2021. There were no other staffing changes during 2021-22.

Organisation

There were no changes to the organisational structure of SWMTC in 2021-22.

**South West Ministry Training Course
Report of the Trustees
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Covid-19

We were able to resume face to face residential weekends in September 2021, and appreciated that enormously. We continued to follow government guidelines throughout the year. We coped well with a resurgence of Covid-19 in December 2021- January 2022, not least because we had already decided to hold our January residential on Zoom. As the year went on, we felt we managed to rebuild the community life of SMWTC which had been dented by being online throughout the previous 18 months

Safeguarding

Safeguarding continues to take a very high priority at SWMTC. The Revd Belinda Speed-Andrews took over from Revd Jane Kneebone as one of our two staff Safeguarding Officers alongside Revd Dave Carrington. The Principal acted as interim Safeguarding Officer during Dave Carrington's sabbatical in summer 2022. We ensure that our students attend the relevant safeguarding training and weave safeguarding into the academic teaching, particularly the pastoral and reflective practice modules.

Overall 2021-22 was a good year for SWMTC – a high intake of students, positive feedback from Durham Common Awards and from our students, further reviews and improvements, and a positive financial outturn. We look to the future with confidence.

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- to cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- to ensure that funds are available to meet the legal employment entitlements of Charity staff;
- to enable the Charity to meet emergency calls arising from property damage or equipment failures;
- to enable the Charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the Charity is to hold in the general reserve sufficient funds to cover not less than three months of normal working expenditure.

At the year-end a total of £389,255 (2021 - £347,493) was held in reserves. The level of reserves is considered to be adequate.

Plans for future periods

The Charity's objects for the future are to make a surplus in order that the Charity's reserves can be augmented and maintained in accordance with the reserves policy.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are strictly ethical.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charities law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2022**

application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Charity trustees

AUDITORS

The auditors, Haines Watts Accountants (Exeter) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 18 March 2023 and signed on its behalf by:

The Rt Rev'd Hugh Nelson – Chair of Trustees

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2022**

Opinion

We have audited the financial statements of South West Ministry Training Course for the year ended 31 August 2022 which comprise Statement of Financial Activities, Balance Sheet, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2022 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustee's annual report, other than the financial statements and our Report of the Independent Auditors thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2022**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charity for the purposes of law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

The objectives of our audit 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 the auditor's opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing (UK) (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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

1. We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: The Charities Commission, UK GAAP, Occupational Health and Safety regulations, Employment Law, Data Protection Act and GDPR.
2. We obtained an understanding of how the charity are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.
3. We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2022**

- 3.1. Identifying and assessing the controls management has in place to prevent and detect fraud;
- 3.2. Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- 3.3. Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular in relation to accruals and prepayments;
- 3.4. Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- 3.5. Assessing the extent of compliance with the relevant laws and regulations.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations are from the events and transactions reflected in the financial statements, the less likely we would become aware of it. 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 collusions.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Jade Quaintance BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Accountants (Exeter) Limited, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 13 June 2023

**South West Ministry Training Course
Statement of Financial Activities
For the year ended 31 August 2022**

	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2,258	-	2,258	119
Incoming resources from charitable activities	459,003	-	459,003	454,747
Total incoming resources	<u>461,261</u>	<u>-</u>	<u>461,261</u>	<u>454,866</u>
RESOURCES EXPENDED				
Charitable activities	411,545	(4,333)	407,212	337,873
Governance costs	12,287	-	12,287	11,090
Total resources expended	<u>423,832</u>	<u>(4,333)</u>	<u>419,499</u>	<u>348,963</u>
NET INCOMING/(OUTGOING) RESOURCES	37,429	4,333	41,762	105,903
Other recognised gains/(losses)				
Gains on investment assets	-	-	-	-
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
Net movement in funds	37,429	4,333	41,762	116,903
Total funds brought forward	348,818	(1,325)	347,493	230,590
TOTAL FUNDS CARRIED FORWARD	<u>386,247</u>	<u>3,008</u>	<u>389,255</u>	<u>347,493</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**South West Ministry Training Course
Balance Sheet
As at 31 August 2022**

	Unrestricted fund	Restricted fund	2022 £	2021 £
FIXED ASSETS				
Tangible assets	2,456	-	2,456	2,068
Investments	-	-	-	-
Total fixed assets	<u>2,456</u>	<u>-</u>	<u>2,456</u>	<u>2,068</u>
CURRENT ASSETS				
Debtors	(575)	-	(575)	5,020
Cash at hand and in bank	400,759	3,008	403,767	357,389
Total current assets	<u>400,184</u>	<u>3,008</u>	<u>403,192</u>	<u>362,409</u>
CURRENT LIABILITIES				
Creditors: amounts falling due within one year	(16,396)	-	(16,393)	(12,651)
NET CURRENT ASSETS	<u>383,788</u>	<u>3,008</u>	<u>386,799</u>	<u>349,758</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	386,244	3,008	389,255	351,826
PENSION LIABILITY	-	-	-	(4,333)
NET ASSETS	<u>386,244</u>	<u>3,008</u>	<u>389,255</u>	<u>347,493</u>
FUNDS				
Unrestricted funds			386,247	348,818
Restricted funds			3,008	3,008
Pension fund			-	(4,333)
Total Charity funds			<u>389,255</u>	<u>347,493</u>

The financial statements were approved by the Board of Trustees on 18 March 2023 and were signed on its behalf by:

The Rt. Rev'd. Hugh Nelson – Chair of Trustees

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

South West Ministry Training Course is a Charity incorporated in England. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to deliver ministerial formation.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: 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 issued in October 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 18.

Library

No monetary value is attributed to the library and all expenditure is written off to the income and expenditure account.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Judgements and key sources of estimation uncertainty

The accounts contain significant judgements and estimates as follows:

Accruals and prepayments which are based on information available at the time of the audit.

Depreciation which is based on the directors best estimate of the life of each asset class.

2. INVESTMENT INCOME

	2022 £	2021 £
Deposit account interest	2,258	119
Other interest	-	-
	<u>2,258</u>	<u>1,435</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2022 £	2021 £
Anglican student fees	177,720	169,285
Miscellaneous income	123	-
Diocese of Exeter Service Contracts	281,160	285,463
	<u>459,003</u>	<u>454,747</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

4. CHARITABLE ACTIVITIES COSTS

	2022	2021
	£	£
Academic costs	11,326	10,638
Employment costs	280,256	268,088
Establishment costs	31,989	30,658
Encountering Theology	87,974	19,864
Other	-	(275)
	<u>411,545</u>	<u>328,973</u>

5. GOVERNANCE COSTS

	2022	2021
	£	£
Trustees' expenses	-	30
Auditors' remuneration	2,970	2,700
Accountancy and professional fees	9,317	8,360
	<u>12,287</u>	<u>11,090</u>

6. NET INCOMING RESOURCES

Net resources are stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	1,208	1,424
	<u>1,208</u>	<u>1,424</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 21.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

	2022	2021
	£	£
Trustees' expenses	-	30
	<u> </u>	<u> </u>

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	222,082	218,430
Social security costs	13,315	13,508
Other pension costs	44,858	36,150
	<u>280,255</u>	<u>268,088</u>
	<u> </u>	<u> </u>

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

	2022	2021
	£	£
Staff	10	10
	<u>10</u>	<u>10</u>

No employees received emoluments in excess of £60,000.

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
INCOMING RESOURCES				
Incoming resources from generated funds				
Investment income	2	119	-	119
Incoming resources from charitable activities				
	3	454,747	-	454,747
		<u>454,866</u>	<u>-</u>	<u>454,866</u>
RESOURCES EXPENDED				
Charitable activities	4	337,873	(9,000)	328,873
Governance costs	5	11,090	-	11,090
		<u>348,963</u>	<u>(9,000)</u>	<u>339,963</u>
NET INCOMING RESOURCES		105,903	9,000	114,903
Other recognised gains/(losses)				
Gains on investment assets		-	-	-
Actuarial gains/(losses) on defined benefit schemes		-	2,000	2,000
		<u>105,903</u>	<u>11,000</u>	<u>116,903</u>
RECONCILIATION OF FUNDS				
Total funds brought forward		242,915	(12,325)	230,590
TOTAL FUNDS CARRIED FORWARD		<u>348,818</u>	<u>(1,325)</u>	<u>347,493</u>
OTHER COMPREHENSIVE INCOME				
Net incoming resources for the year		105,903	11,000	116,903
Other comprehensive incoming/(outgoing) resources		-	-	-
Total comprehensive net incoming resources		<u>105,903</u>	<u>11,000</u>	<u>116,903</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022

10. TANGIBLE FIXED ASSETS

	Office Furniture £	Computer Equipment £	Total £
Cost			
Cost b/f	4,054	10,746	14,800
Additions	1,598	-	1,598
Disposals	-	-	-
Cost c/f	<u>5,652</u>	<u>10,746</u>	<u>16,398</u>
Depreciation			
Depreciation b/f	3,022	9,712	12,734
Charge for the year	502	706	1,208
Eliminated on disposal	-	-	-
Depreciation c/f	<u>3,524</u>	<u>10,418</u>	<u>13,942</u>
Net Book Value			
Net book value carried forward	<u>2,128</u>	<u>328</u>	<u>2,456</u>
Net book value brought forward	<u>1,032</u>	<u>1,034</u>	<u>2,066</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	(2,034)	400
Other debtors	1,459	4,619
	<u>(575)</u>	<u>5,019</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	5	537
Taxation and social security	5,510	4,790
Other creditors	10,881	7,324
	<u>16,396</u>	<u>12,651</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2022	2021
	£	£	£	£
Fixed assets	2,456	-	2,456	2,067
Current Assets	400,184	3,008	403,192	362,410
Current Liabilities	(16,393)	-	(16,393)	(12,651)
Pension liability	-	-	-	(4,333)
	<u>386,247</u>	<u>3,008</u>	<u>389,255</u>	<u>347,493</u>

14. MOVEMENT IN FUNDS

	At 01/09/2021 £	Net movement in funds £	At 31/08/2022 £
Unrestricted funds			
General and designated funds	348,818	37,429	386,247
Restricted funds			
Restricted fund	3,008	-	3,008
Pension fund	(4,333)	4,333	-
TOTAL FUNDS	<u>230,590</u>	<u>41,762</u>	<u>389,255</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	461,261	(423,832)	-	37,429
Restricted funds				
Restricted fund	-	-	-	-
Pension fund	-	4,333	-	4,333
	<u>461,261</u>	<u>(419,499)</u>	<u>-</u>	<u>41,762</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

15. FINANCIAL COMMITMENTS

At 31 August 2022 the charity had total commitments under non-cancellable operating leases over the remaining life of those leases of £16,760 (2021 - £16,133).

16. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed. They have concluded that there have been no such transactions.

17. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the charity and the cost, charges and expenses of winding up.

18. PENSION AND OTHER POST-RETIREMENT BENEFITS

Church Workers Pension Fund (CWPF)

South West Ministry Training Course (SWMTC) (PB Classic) participates in the Pension Builder Scheme section of the CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable of £12,153 (2021: £12,200).

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, South West Ministry Training Course could become responsible for paying a share of the failed employer's pension liabilities.

Church of England Funded Pension Fund (CEFPS)

South West Ministry Training Course participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefit and expenses accrued in that year plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out as at 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumption:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CIPH;
- Mortality in accordance with 90% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (ie w2020 = 0%).

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2022**

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022	2021
	£	£
Balance sheet liability at 1 September	4,333	15,333
Deficit contribution paid	(4,333)	(9,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(2,000)
Balance sheet liability at 31 August	-	4,333

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, South West Ministry Training Course could become responsible for paying a share of that Responsible Body's pension liabilities.

Accounts

REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2021
for
South West Ministry Training Course**

Haines Watts Accountants (Exeter) Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

**South West Ministry Training Course
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For the Year Ended 31 August 2021**

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**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2021**

The trustees present their report with the financial statements of the Charity for the year ended 31 August 2021. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' in preparing the annual report and financial statements of the Charity.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1056606

Registered office
Riverside Centre
13-14 Okehampton Street
Exeter
Devon
EX4 1DU

Trustees

The Rt Revd Robert Atwell	
The Rt Revd Nicholas McKinnel (Chair)	
The Revd Preb. Philip Sourbut	
The Ven Dr Mark Butchers	Resigned on 05.09.20
The Revd Professor Morwenna Ludlow	
The Rt Revd Philip Mounstephen	
The Revd Elly Sheard	
The Revd Lionel Stock	
The Rt Revd Hugh Nelson	
Mr Charles Mills	Appointed on 16.11.20
Dr Jonathan Curtis	Appointed on 16.11.20
Mrs Rachel Mitchell	Appointed on 18.01.21
The Revd Dr Jonathan Rowe	Appointed on 01.09.20

Auditors

Haines Watts Accountants (Exeter) Limited
3 Southernhay West
Exeter
Devon
EX1 1JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and governing document

The main activity of the Charity since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The Charity also provides open-access theological education, and supports research. The Charity is a registered charity (number 1056606.)

The company was converted to a Charitable Incorporated Organisation (CIO) on 20 February 2020 and is now governed by a foundation trust deed. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the Charity and the costs, charges and expenses of winding up.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2021**

New trustees are provided with a full induction to the Charity and training is provided where required.

The trustees are empowered to manage the strategic business of the Charity, to exercise all the powers of the Charity and to appoint a Principal, to be responsible for the everyday operations of the Charity.

The trustees have established finance and staffing committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the Charity through its contacts with church leaders.

The trustees and members of the board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The main risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The South West Ministry Training Course's vision is to deliver ministerial formation that is Christ-centred, world-engaging, rooted in local communities, and involves lay and ordained working generously and collaboratively together. It seeks to achieve this vision through an integrated academic and formational curriculum cultivating adventurous faith, missional hope and grounded love.

We hope to have 22 ordination students, 20 reader trainees, 25 Foundations in Christian Ministry students and 45 curates each year in order to provide financial stability within present staff resources. These levels of recruitment are outside our control and we have to adopt a flexible strategy in order to react to the changing patterns of recruitment and selection by the churches.

We offer theological education to members of the public and numbers of these students are steady. We are seeking to market these modules more actively.

Our relationships with the Anglican dioceses of the South West are developing and deepening.

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:-

1. the benefit that arises from the Charity's aims are that:

- (a) the Charity is able to advance the Christian religion by the promotion of theological education, training and research.
- (b) the Charity is able to contribute to the advancement and promotion of the Christian religion.

2. the Charity's aims intend to benefit the public generally.

3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and

4. nobody receives any private benefit from the Charity.

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2021**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the charity is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates, Readers in training and others engaged in ministerial training. We work closely with our local dioceses of Truro and Exeter, and look forward to closer partnership with St Mellitus South West through the South West Training Partnership Board.

Income for the year totalled £454,866 (2020 - £446,368). Expenditure for the year totalled £339,963 (2020 - £372,454).

Formational Programmes

We trained 25 students from the Diocese of Exeter on our Level 3 Foundations in Christian Ministry Course. There were 17 Readers in training from the Diocese of Exeter and 7 Readers in Training from the Diocese of Truro. We trained 18 ordinands from both dioceses and 1 from the Diocese of Bath and Wells, with 7 leaving at the end of the academic year to be ordained deacon. SWMTC runs Initial Ministerial Education Phase 2 for the Exeter Diocese, with a total of 46 curates, including 16 new curates in 2020.

Academic Quality Assurance

The follow up to the 2019 Periodic External Review (PER) took place in February 2020. The Senior Reviewer's report concluded: "In summary, and on behalf of the Review team, I believe that SWMTC's responses reflect thorough consideration and positive action with every recommendation, and that the steps that have been taken or are in hand are commendable and will serve its learning community and partner dioceses well for the future." In her annual review of SWMTC's academic performance for 2020-21, our external examiner, Dr Ann Jeffers, concluded: "I would like to thank the whole staff for excellent standards. SWMTC is a solid Institution, with solid teaching, where students are engaging well, as are the staff with the students. I would like to commend SWMTC as a board and a staff."

Formation Programmes

During 2020-21, we consolidated the new curriculum for both ordinands and Readers in training based upon the Lord's Prayer, Nicene Creed and Magnificat. We reviewed our Reflective Practice Seminar topics, strengthened our induction programme, introduced some new modules and revised most of our documentation.

Sustainability

As a result of a lot of hard work and focussed management, we are able to celebrate a fourth year of budget surplus after many years of increasing deficits. The Board has adopted a Business Plan which states its 'firm intention not to operate with a budget deficit in the future'.

Staff

Revd Dr Mark Butchers took up the post of full-time Principal on 6th September 2020. Revd Margaret Sylvester-Thorne and Revd Michael Sansom stepped down as voluntary Chaplains to SWMTC in September 2020 and July 2021 respectively. There were no other staffing changes during 2020-21.

Organisation

There were no changes to the organisational structure of SWMTC in 2020-21.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2021**

Covid-19

Covid-19 meant that all our teaching in 2020-21 was online. We had one leaving service face to face in July 2021. We missed being able to meet in person, and that certainly made the work of formation and building community life much more difficult. Nonetheless, as our external examiner testifies, we maintained a high standard of academic teaching throughout the year. Covid-19 has taught us though that some things are better done online, and we will continue those. Because we did not have residential weekend and Lent School costs, we have made another significant surplus in 2020-21, which will help to secure the financial future of SWMTC.

Safeguarding

Safeguarding continues to take a very high priority at SWMTC. The Revd Professor Morwenna Ludlow took over from the Rt Revd Nick McKinnel as the trustee responsible for safeguarding in April 2020. We have continued to ensure that our students attend the relevant safeguarding training and increasingly we try to weave safeguarding into the academic teaching, particularly the pastoral and reflective practice modules.

Overall, despite Covid, SWMTC continued to thrive during 2020-21 and we look to the future with confidence.

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- to cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- to ensure that funds are available to meet the legal employment entitlements of Charity staff;
- to enable the Charity to meet emergency calls arising from property damage or equipment failures;
- to enable the Charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the Charity is to hold in the general reserve sufficient funds to cover not less than three months of normal working expenditure.

At the year-end a total of £347,493 was held in reserves (2020 - £230,590). The level of reserves is considered to be adequate.

Plans for future periods

The Charity's objects for the future are to make a surplus in order that the Charity's reserves can be augmented and maintained in accordance with the reserves policy.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are strictly ethical.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2021**

Charities law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

We, the directors of the company who held office at the date of approval of these Financial Statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the Charity's auditors are unaware; and
- we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

In approving the Trustees' Annual Report, we also approve the Strategic Report included therein, in our capacity as Charity trustees

AUDITORS

The auditors, Haines Watts Accountants (Exeter) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on

and signed on its behalf by:

NH PMcKinnel

The Rt Revd Nicholas McKinnel – Chair of Trustees

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2021**

Opinion

We have audited the financial statements of South West Ministry Training Course for the year ended 31 August 2021 which comprise Statement of Financial Activities, Balance Sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 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 applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 trustees 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 trustees annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2021**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charity and the sector in which it operates. We determined that the following laws and regulations were most significant: The Charities Act 2011, UK GAAP, Occupational Health and Safety regulations, Employment Law, Data Protection Act and GDPR.

- We obtained an understanding of how the charity are complying with those legal and regulatory frameworks and made enquiries to the management of known or suspected instances of fraud and non-compliance with laws and regulations. We corroborated our enquiries through our review of board minutes, other relevant meeting minutes and review of correspondence with regulatory bodies.

- We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the audit team included:

- Identifying and assessing the controls management has in place to prevent and detect fraud;

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2021**

- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates and judgments, in particular in relation to accruals and prepayments and depreciation and amortisation;
- Identifying and testing journal entries, in particular journal entries posted with unusual account combinations; and
- Assessing the extent of compliance with the relevant laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Benjamin de Cruz BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Accountants (Exeter) Limited, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 11 MAY 2022

**South West Ministry Training Course
Statement of Financial Activities
For the year ended 31 August 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	119	-	119	1,435
Incoming resources from charitable activities	3	454,747	-	454,747	444,933
		<u>454,866</u>	<u>-</u>	<u>454,866</u>	<u>446,368</u>
RESOURCES EXPENDED					
Charitable activities	4	337,873	(9,000)	328,873	362,748
Governance costs	5	11,090	-	11,090	9,706
		<u>348,963</u>	<u>(9,000)</u>	<u>339,963</u>	<u>372,454</u>
NET INCOMING RESOURCES		105,903	9,000	114,903	73,914
Other recognised gains/(losses)					
Gains on Investment assets		-	-	-	-
Actuarial gains/(losses) on defined benefit schemes		-	2,000	2,000	49,000
		<u>105,903</u>	<u>11,000</u>	<u>116,903</u>	<u>122,914</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		242,915	(12,325)	230,590	107,676
TOTAL FUNDS CARRIED FORWARD		<u>348,818</u>	<u>(1,325)</u>	<u>347,493</u>	<u>230,590</u>
OTHER COMPREHENSIVE INCOME					
Net Incoming resources for the year		105,903	11,000	116,903	122,914
Other comprehensive Incoming/(outgoing) resources		-	-	-	-
Total comprehensive net Incoming resources		<u>105,903</u>	<u>11,000</u>	<u>116,903</u>	<u>122,914</u>

The statement of financial activities includes all gains and losses recognised in the year.

All Incoming resources and resources expended derive from continuing activities.

**South West Ministry Training Course
Balance Sheet
As at 31 August 2021**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £	2020 Total Funds £
FIXED ASSETS					
Tangible assets	10	2,067	-	2,067	1,976
Investments		-	-	-	-
		<u>2,067</u>	<u>-</u>	<u>2,067</u>	<u>1,976</u>
CURRENT ASSETS					
Debtors	11	5,020	-	5,020	1,359
Cash at bank and in hand		354,382	3,008	357,390	253,813
		<u>359,402</u>	<u>3,008</u>	<u>362,410</u>	<u>255,172</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	(12,651)	-	(12,651)	(11,225)
		<u>346,751</u>	<u>3,008</u>	<u>349,759</u>	<u>243,947</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		348,818	3,008	351,826	245,923
PENSION LIABILITY	18	-	(4,333)	(4,333)	(15,333)
NET ASSETS		<u>348,818</u>	<u>(1,325)</u>	<u>347,493</u>	<u>230,590</u>
FUNDS					
Unrestricted funds	14			348,818	242,915
Restricted funds				3,008	3,008
Pension fund				(4,333)	(15,333)
TOTAL FUNDS				<u>347,493</u>	<u>230,590</u>

The financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The financial statements were approved by the Board of Trustees on its behalf by:

and were signed on

NHP McKinnel

The Rt. Revd. Nicholas McKinnel – Chair of Trustees

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

South West Ministry Training Course is a Charity incorporated in England. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are to deliver ministerial formation.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: 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 issued in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements are presented in Sterling (£) which is the functional currency of the company and rounded to the nearest £.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

The Charity is exempt from corporation tax on its charitable activities.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 18.

Library

No monetary value is attributed to the library and all expenditure is written off to the income and expenditure account.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

Judgements and key sources of estimation uncertainty

The accounts contain significant judgements and estimates as follows:

Accruals and prepayments which are based on information available at the time of the audit.

Depreciation which is based on the directors best estimate of the life of each asset class.

The pension scheme deficit valuation is based on an external valuation prepared by actuaries.

2. INVESTMENT INCOME

	2021 £	2020 £
Deposit account Interest	119	1,435
Other Interest	-	-
	<u>119</u>	<u>1,435</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Independent students	7,530	12,170
Miscellaneous Income	-	755
Ordinands	132,735	112,104
St Luke's College Foundation	29,019	33,090
Diocesan service contracts	285,463	286,814
	<u>454,747</u>	<u>444,933</u>

4. CHARITABLE ACTIVITIES COSTS

	2021 £	2020 £
Academic costs	10,638	14,142
Employment costs	267,988	241,825
Establishment costs	30,658	46,292
Encountering Theology	19,864	60,489
Bad debt	(275)	-
	<u>328,873</u>	<u>362,748</u>

5. GOVERNANCE COSTS

	2021 £	2020 £
Trustees' expenses	30	-
Auditors' remuneration	2,700	2,654
Accountancy fees	1,411	4,726
Professional fees	6,949	2,326
	<u>11,090</u>	<u>9,706</u>

6. NET INCOMING RESOURCES

Net resources are stated after charging:

	2021 £	2020 £
Depreciation - owned assets	1,424	1,084
	<u>1,424</u>	<u>1,084</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2021 nor for the year ended 31 August 20.

	2021 £	2020 £
Trustees' expenses	30	-

8. STAFF COSTS

	2021 £	2020 £
Wages and salaries	218,430	189,518
Social security costs	13,508	10,164
Other pension costs	36,050	42,143
	<u>267,988</u>	<u>241,825</u>

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

	2021 £	2020 £
Staff	10	9
	<u>10</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	1,435	-	1,435
Incoming resources from charitable activities	444,933	-	444,933
	<u>446,368</u>	<u>-</u>	<u>446,368</u>
RESOURCES EXPENDED			
Charitable activities	366,415	(3,667)	362,748
Governance costs	9,706	-	9,706
	<u>376,121</u>	<u>(3,667)</u>	<u>372,454</u>
NET INCOMING RESOURCES	70,247	3,667	73,914
Other recognised gains			
Gains on investment assets	-	-	-
Actuarial gains/(losses) on defined benefit schemes	-	49,000	49,000
	<u>70,247</u>	<u>52,667</u>	<u>122,914</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	172,668	(64,992)	107,676
TOTAL FUNDS CARRIED FORWARD	<u>242,915</u>	<u>(12,325)</u>	<u>230,590</u>
OTHER COMPREHENSIVE INCOME			
Net Incoming resources for the year	70,247	52,667	122,914
Other comprehensive incoming/(outgoing) resources	-	-	-
Total comprehensive net Incoming resources	<u>70,247</u>	<u>52,667</u>	<u>122,914</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

10. TANGIBLE FIXED ASSETS

	Office furniture £	Computer equipment £	Total £
Cost			
At 1 September 2020	3,404	21,781	25,185
Additions	879	636	1,515
Disposals	(229)	(11,671)	(11,900)
	<u>4,054</u>	<u>10,746</u>	<u>14,800</u>
At 31 August 2021			
Depreciation			
At 1 September 2020	2,909	20,301	23,210
Charge for the year	342	1,082	1,424
Eliminated on disposal	(229)	(11,671)	(11,900)
	<u>3,022</u>	<u>9,712</u>	<u>12,734</u>
At 31 August 2021			
Net Book Value			
At 31 August 2021	<u>1,032</u>	<u>1,034</u>	<u>2,066</u>
At 31 August 2020	<u>495</u>	<u>1,480</u>	<u>1,975</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	400	-
Other debtors	4,620	1,359
	<u>5,020</u>	<u>1,359</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	537	56
Taxation and social security	4,790	3,379
Other creditors	7,324	7,790
	<u>12,651</u>	<u>11,225</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	2021 Total funds £	2020 Total funds £
Fixed assets	2,067	-	2,067	1,976
Current assets	359,402	3,008	362,410	255,172
Current liabilities	(12,651)	-	(12,651)	(11,225)
Pension liability	-	(4,333)	(4,333)	(15,333)
	<u>348,818</u>	<u>(1,325)</u>	<u>347,493</u>	<u>230,590</u>

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021

14. MOVEMENT IN FUNDS

	At 01.09.2020 £	Net movement in funds £	At 31.08.2021 £
Unrestricted funds			
General and designated funds	242,915	105,903	348,818
Restricted funds			
Restricted fund	3,008	-	3,008
Pension fund	(15,333)	11,000	(4,333)
TOTAL FUNDS	<u>230,590</u>	<u>116,903</u>	<u>347,493</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	454,866	(348,963)	-	105,903
Restricted funds				
Restricted fund	-	-	-	-
Pension fund	-	9,000	2,000	11,000
	<u>454,866</u>	<u>(339,963)</u>	<u>2,000</u>	<u>116,903</u>

15. FINANCIAL COMMITMENTS

At 31 August 2021 the charity had total commitments under non-cancellable operating leases over the remaining life of those leases of £17,513 (2020 - £18,266).

16. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed. They have concluded that there have been no such transactions.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

17. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the charity and the cost, charges and expenses of winding up.

18. PENSION AND OTHER POST-RETIREMENT BENEFITS

Church Workers Pension Fund (CWPF)

South West Ministry Training Course (SWMTC) (PB Classic) participates in the Pension Builder Scheme section of the CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable of £12,200 (2020: £13,509).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. This revealed, on the ongoing assumptions used, a deficit of £14.2m. Employers have not been asked to make up any shortfall in PB Classic in the past and the Pensions Board expects to be able to continue this practice.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

Church of England Funded Pension Fund (CEFPS)

South West Ministry Training Course participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefit and expenses accrued in that year plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2021**

Church of England Funded Pension Fund (CEFPS)

The deficit recovery contributions payable under the recovery plan in force from 31 December 2017, to 31 December 2022 were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2021	2020
	£	£
Balance sheet liability at 1 September	15,333	68,000
Deficit contribution paid	(9,000)	(4,667)
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(2,000)	(49,000)
Balance sheet liability at 31 August	4,333	15,333

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body falls, South West Ministerial Training Course could become responsible for paying a share of that Responsible Body's pension liabilities.

Accounts

5250-EX

RSD

REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2020
for
South West Ministry Training Course**

Haines Watts Exeter LLP
3 Southernhay West
Exeter
Devon
EX1 1JG

**South West Ministry Training Course
Contents of the Financial Statements
For the Year Ended 31 August 2020**

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Balance Sheet	9
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**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2020**

The trustees present their report with the financial statements of the Charity for the year ended 31 August 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' Issued in January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number
1056606

Registered office
Riverside Centre
13-14 Okehampton Street
Exeter
Devon
EX4 1DU

Trustees

The Revd Canon Graham Thompson	Resigned 31.8.20
The Rt Revd Robert Atwell	
The Rt Revd Nicholas McKinnel (Chair)	
The Revd Preb. Philip Sourbut	
The Ven Dr Mark Butchers	
The Revd Professor Morwenna Ludlow	
The Rt Revd Philip Mounstephen	
The Revd Elly Sheard	
The Revd Lionel Stock	Appointed on 07.07.20
The Rt Revd Hugh Nelson	Appointed on 16.11.20
Mr Charles Millis	Appointed on 16.11.20
Dr Jonathan Curtis	Appointed on 18.1.21
Mrs Rachel Mitchell	

Auditors

Haines Watts Exeter LLP
3 Southernhay West
Exeter
Devon
EX1 1JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure and governing document

The main activity of the Charity since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The Charity also provides open-access theological education, and supports research. The Charity is a registered charity (number 1056606.)

The company was converted to a Charitable Incorporated Organisation (CIO) on 20 February 2020 and is now governed by a foundation trust deed. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the Charity and the costs, charges and expenses of winding up.

New trustees are provided with a full induction to the Charity and training is provided where required.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2020**

The trustees are empowered to manage the strategic business of the Charity, to exercise all the powers of the Charity and to appoint a Principal, to be responsible for the everyday operations of the Charity.

The trustees have established finance and staffing committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the Charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the Charity through its contacts with church leaders.

The trustees and members of the board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The main risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The South West Ministry Training Course's vision is to deliver ministerial formation that is Christ-centred, world-engaging, rooted in local communities, and involves lay and ordained working generously and collaboratively together. It seeks to achieve this vision through an integrated academic and formational curriculum cultivating adventurous faith, missional hope and grounded love.

We hope to have 22 ordination students, 20 reader trainees, 25 Foundations in Christian Ministry students and 45 curates each year in order to provide financial stability within present staff resources. These levels of recruitment are outside our control and we have to adopt a flexible strategy in order to react to the changing patterns of recruitment and selection by the churches.

We offer theological education to members of the public and numbers of these students are steady. We are seeking to market these modules more actively.

Our relationships with the Anglican dioceses of the South West are developing and deepening.

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:-

1. the benefit that arises from the Charity's aims are that:
 - (a) the Charity is able to advance the Christian religion by the promotion of theological education, training and research.
 - (b) the Charity is able to contribute to the advancement and promotion of the Christian religion.
2. the Charity's aims intend to benefit the public generally.
3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and
4. nobody receives any private benefit from the Charity.

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2020**

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the company is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates and others engaged in ministerial training.

A very significant movement has been forged in our relationship with the dioceses in forming new ways of working with regional co-operation and development.

Income for the year totalled £446,368 (2019 - £463,865). Expenditure for the year totalled £378,121 (2019 - £415,455).

Formational Programmes

We trained 50 students from the Diocese of Exeter on our Level 3 Foundations in Christian Ministry Course. There were 6 Readers in training from the Diocese of Exeter and 3 Readers in Training from the Diocese of Truro. We trained 18 ordinands from both dioceses, with 6 leaving at the end of the academic year to be ordained deacon. SWMTC runs Initial Ministerial Education Phase 2 for the Exeter Diocese, with a total of 42 curates, including 14 new curates in 2019.

Academic Quality Assurance

The final version of the report of the Periodic External Review (PER) of SWMTC's formation was received in autumn 2019. The PER is a joint exercise by the Church of England's Ministry Division and the University of Durham. The report commended SWMTC's supportive community life and pastoral care of students, the strong ethos of teaching and support for adult learners and our plans for the new curriculum. During 2019-20 we began responding to the recommendations in the report.

New Formation Programmes

During 2019-20 we implemented an innovative new curriculum for both ordinands and Readers in training based upon the Lord's Prayer, Nicene Creed and Magnificat.

Sustainability

As a result of a lot of hard work and focussed management, we are able to celebrate a third year of budget surplus after many years of increasing deficits. The Board has adopted a Business Plan which states its 'firm intention not to operate with a budget deficit in the future'.

Staff

In April 2019 we interviewed for a full-time Principal and Revd Dr Mark Butchers was appointed to begin in post from September 2020 onwards when Revd Dr Jonathan Rowe and Revd Preb Philip Sourbut stepped down as Joint-Principals.

Organisation

In 2019-20 we decided to change from Joint Principals to a single full-time Principal. Revd Dr Jonathan Rowe and Revd Preb Philip Sourbut (the two Diocesan Directors of Mission and Ministry) served as Joint-Principals for three years, bringing significant and vital changes to the organisation. We owe them a huge debt of thanks.

Covid-19

Covid-19 meant that all our teaching needed to go online from March 2020 onwards. This was a huge challenge which the SWMTC staff rose to magnificently. We were able to maintain our high standard of teaching throughout the year, and some students found attendance easier without having to travel long distances. Nonetheless we look forward to the time when we can resume our weekend residentials and the face to face community life which is so important to formation. The key reason for the significant surplus of income over expenditure in 2019-20 was the lack of residential weekend and Lent School costs. That has helped put SWMTC onto a firmer financial footing.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2020**

Safeguarding

Safeguarding is a prominent concern throughout the organisation and there is an opportunity to review the policy and discuss pertinent issues at each Board meeting. During 2019-20, we improved the communication of our safeguarding policies and procedures to the students.

Overall, SWMTC continues to be in good shape and looking forward to the future.

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- to cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- to ensure that funds are available to meet the legal employment entitlements of Charity staff;
- to enable the Charity to meet emergency calls arising from property damage or equipment failures;
- to enable the Charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the Charity is to hold in the general reserve sufficient funds to cover not less than three months of normal working expenditure.

At the year-end a total of £230,590 was held in reserves (2019 - £107,676). The level of reserves is considered to be adequate.

Plans for future periods

The Charity's objects for the future are to make a surplus in order that the Charity's reserves can be augmented and maintained in accordance with the reserves policy.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are strictly ethical.

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charities law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the Charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2020**

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

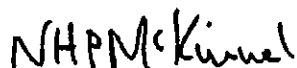
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information of which the Charity's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the Charity's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts Exeter LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the Board of Trustees on 18th January 2021 and signed on its behalf by:



The Rt Revd Nicholas McKinnel – Chair of Trustees

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2020**

Opinion

We have audited the financial statements of South West Ministry Training Course for the year ended 31 August 2020 on pages seven to twenty. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standard. (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 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 applicable to Smaller Entities; and

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

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**Report of the Independent Auditors to the Trustees of
South West Ministry Training Course
For the Year Ended 31 August 2020**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities set out on page four, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

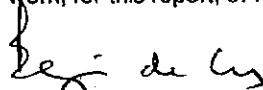
In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the academy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

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Benjamin de Cruz BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Exeter LLP, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG

Date: 18/1/21

South West Ministry Training Course
Statement of Financial Activities
For the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	1,435	-	1,435	1,110
Incoming resources from charitable activities	3	444,933	-	444,933	462,755
		<u>446,368</u>	<u>-</u>	<u>446,368</u>	<u>463,865</u>
RESOURCES EXPENDED					
Charitable activities	4	366,415	(3,667)	362,748	404,707
Governance costs	5	9,706	-	9,706	10,748
		<u>376,121</u>	<u>(3,667)</u>	<u>372,454</u>	<u>415,455</u>
NET INCOMING/(OUTGOING) RESOURCES		70,247	3,667	73,914	48,410
Other recognised gains/(losses)					
Gains on investment assets		-	-	-	-
Actuarial gains/(losses) on defined benefit schemes		-	49,000	49,000	(18,000)
		<u>70,247</u>	<u>52,667</u>	<u>122,914</u>	<u>30,410</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		172,668	(84,992)	107,676	77,266
TOTAL FUNDS CARRIED FORWARD		<u>242,915</u>	<u>(12,325)</u>	<u>230,590</u>	<u>107,676</u>
OTHER COMPREHENSIVE INCOME					
Net incoming/(outgoing) resources for the year		70,247	52,667	122,914	30,410
Other comprehensive incoming/(outgoing) resources		-	-	-	-
Total comprehensive net incoming/(outgoing) resources		<u>70,247</u>	<u>52,667</u>	<u>122,914</u>	<u>30,410</u>

The statement of financial activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

**South West Ministry Training Course
Balance Sheet
As at 31 August 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total Funds £	2019 Total Funds £
FIXED ASSETS					
Tangible assets	10	1,976	-	1,976	1,981
Investments		-	-	-	-
		<u>1,976</u>	<u>-</u>	<u>1,976</u>	<u>1,981</u>
CURRENT ASSETS					
Debtors	11	1,359	-	1,359	4,079
Cash at bank and in hand		250,805	3,008	253,813	183,737
		<u>252,164</u>	<u>3,008</u>	<u>255,172</u>	<u>187,816</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	12	(11,225)	-	(11,225)	(14,121)
		<u>240,939</u>	<u>3,008</u>	<u>243,947</u>	<u>173,695</u>
NET CURRENT ASSETS					
		<u>242,915</u>	<u>3,008</u>	<u>245,923</u>	<u>175,676</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>242,915</u>	<u>3,008</u>	<u>245,923</u>	<u>175,676</u>
PENSION LIABILITY					
	18	-	(15,333)	(15,333)	(68,000)
		<u>242,915</u>	<u>(12,325)</u>	<u>230,590</u>	<u>107,676</u>
NET ASSETS					
		<u>242,915</u>	<u>(12,325)</u>	<u>230,590</u>	<u>107,676</u>
FUNDS					
	14				
Unrestricted funds				242,915	172,668
Restricted funds				3,008	3,008
Pension fund				(15,333)	(68,000)
				<u>230,590</u>	<u>107,676</u>
TOTAL FUNDS					
				<u>230,590</u>	<u>107,676</u>

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for FRS 102

The financial statements were approved by the Board of Trustees on 18th January 2021 and were signed on its behalf by:

NH McKinnel

The Rt. Revd. Nicholas McKinnel – Chair of Trustees

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: 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 (FRS102) and the Charities Act 2011. The financial statements have been prepared under the historical cost convention with the exception of certain investments.

These financial statements are presented in Sterling (£) which is the functional currency of the company and rounded to the nearest £.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

The Charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

The charity participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 18.

Library

No monetary value is attributed to the library and all expenditure is written off to the Income and expenditure account.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

2. INVESTMENT INCOME

	2020 £	2019 £
Deposit account interest	1,435	1,110
Other interest	-	-
	<u>1,435</u>	<u>1,110</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2020 £	2019 £
Independent students	12,170	24,170
Miscellaneous income	755	810
Ordinands	112,104	133,914
St Luke's College Foundation	33,090	46,170
Diocesan service contracts	286,814	257,691
	<u>444,933</u>	<u>462,755</u>

4. CHARITABLE ACTIVITIES COSTS

	2020 £	2019 £
Academic costs	14,142	10,815
Employment costs	245,492	266,862
Establishment costs	46,292	40,073
Encountering Theology	60,489	92,707
Bad debt	-	250
	<u>366,415</u>	<u>410,707</u>

5. GOVERNANCE COSTS

	2020 £	2019 £
Trustees' expenses	-	151
Auditors' remuneration	2,654	2,564
Accountancy fees	4,726	5,440
Professional fees	2,326	2,593
	<u>9,706</u>	<u>10,748</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

6. NET INCOMING/OUTGOING RESOURCES

Net resources are stated after charging:

	2020 £	2019 £
Depreciation - owned assets	1,084	655
	<u>1,084</u>	<u>655</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

	2020 £	2019 £
Trustees' expenses	-	151
	<u>-</u>	<u>151</u>

8. STAFF COSTS

	2020 £	2019 £
Wages and salaries	176,718	184,463
Social security costs	10,164	13,099
Other pension costs	41,873	47,223
	<u>228,755</u>	<u>244,785</u>

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

	2020 £	2019 £
Staff	9	9
	<u>9</u>	<u>9</u>

No employees received emoluments in excess of £60,000.

South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	2019 Total Funds £
INCOMING RESOURCES			
Incoming resources from generated funds			
Investment income	1,110	-	1,110
Incoming resources from charitable activities	462,755	-	462,755
	<u>463,865</u>	<u>-</u>	<u>463,865</u>
RESOURCES EXPENDED			
Charitable activities	410,707	(6,000)	404,707
Governance costs	10,748	-	10,748
	<u>421,455</u>	<u>(6,000)</u>	<u>415,455</u>
NET INCOMING/(OUTGOING) RESOURCES	42,410	6,000	48,410
Other recognised gains/(losses)			
Gains on Investment assets	-	-	-
Actuarial gains/(losses) on defined benefit schemes	-	(18,000)	(18,000)
	<u>42,410</u>	<u>(12,000)</u>	<u>30,410</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	130,258	(52,992)	77,266
TOTAL FUNDS CARRIED FORWARD	<u>172,668</u>	<u>(64,992)</u>	<u>107,676</u>
OTHER COMPREHENSIVE INCOME			
Net incoming/(outgoing) resources for the year	42,410	(12,000)	30,410
Other comprehensive incoming/(outgoing) resources	-	-	-
Total comprehensive net incoming/(outgoing) resources	<u>42,410</u>	<u>(12,000)</u>	<u>30,410</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

10. TANGIBLE FIXED ASSETS

	Office furniture £	Computer equipment £	Total £
Cost			
At 1 September 2019	2,991	21,115	24,106
Additions	413	888	1,079
Disposals	-	-	-
At 31 August 2020	<u>3,404</u>	<u>21,781</u>	<u>25,185</u>
Depreciation			
At 1 September 2019	2,777	19,349	22,126
Charge for the year	132	952	1,084
Eliminated on disposal	-	-	-
At 31 August 2020	<u>2,909</u>	<u>20,301</u>	<u>23,210</u>
Net Book Value			
At 31 August 2020	<u>495</u>	<u>1,480</u>	<u>1,975</u>
At 31 August 2019	<u>214</u>	<u>1,766</u>	<u>1,980</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Other debtors	1,358	4,079
	<u>1,358</u>	<u>4,079</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	56	326
Taxation and social security	3,379	4,089
Other creditors	7,790	9,706
	<u>11,225</u>	<u>14,121</u>

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
Fixed assets	1,976	-	1,976	1,981
Current assets	252,164	3,008	255,172	187,816
Current liabilities	(11,225)	-	(11,225)	(14,121)
Pension liability	-	(15,333)	(15,333)	(88,000)
	<u>242,915</u>	<u>(12,325)</u>	<u>230,590</u>	<u>107,676</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

14. MOVEMENT IN FUNDS

	At 01.09.2019 £	Net movement in funds £	At 31.08.2020 £
Unrestricted funds			
General and designated funds	172,668	70,247	242,915
Restricted funds			
Restricted fund	3,008	-	3,008
Pension fund	(68,000)	52,667	(15,333)
TOTAL FUNDS	<u>107,676</u>	<u>122,914</u>	<u>230,590</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	446,368	(376,121)	-	70,247
Restricted funds				
Restricted fund	-	-	-	-
Pension fund	-	52,667	-	52,667
	<u>446,368</u>	<u>(323,454)</u>	<u>-</u>	<u>122,914</u>

15. FINANCIAL COMMITMENTS

At 31 August 2020 the charity had total commitments under non-cancellable operating leases over the remaining life of those leases of £18,266 (2019 - £36,618).

16. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed. They have concluded that there have been no such transactions.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

17. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the charity and the cost, charges and expenses of winding up.

18. PENSION AND OTHER POST-RETIREMENT BENEFITS

Church Workers Pension Fund (CWPF)

South West Ministry Training Course (SWMTC) (PB Classic) participates in the Pension Builder Scheme section of the CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable of £13,067 (2019: £13,538).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. This revealed, on the ongoing assumptions used, a deficit of £14.2m. Employers have not been asked to make up any shortfall in PB Classic in the past and the Pensions Board expects to be able to continue this practice.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

Church of England Funded Pension Fund (CEFPS)

South West Ministry Training Course participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating employer in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS102. This means it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefit and expenses accrued in that year plus any impact of deficit contributions (see below).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CM2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter" of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2020**

Church of England Funded Pension Fund (CEFPS)

The deficit recovery contributions payable under the recovery plan in force from 31 December 2017, to 31 December 2022 were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2020	2019
	£	£
Balance sheet liability at 1 September	68,000	56,000
Deficit contribution paid	(4,667)	(7,000)
Interest cost (recognised in SoFA)	1,000	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(49,000)	18,000
Balance sheet liability at 31 August	15,333	68,000

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2019	December 2018	December 2017
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

The legal structure of the scheme is such that if another Responsible Body fails, South West Ministerial Training Course could become responsible for paying a share of that Responsible Body's pension liabilities.

