

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.

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Report of the Trustees
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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.

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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.

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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:

NHPMcKinnel

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>

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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>

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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>

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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.

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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.

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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%

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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.

