

**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**

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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.

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Report of the Trustees  
For the Year Ended 31 August 2022**

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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 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.

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Report of the Trustees  
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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.

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Report of the Trustees  
For the Year Ended 31 August 2022**

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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**

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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**

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**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**

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**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  
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For the Year Ended 31 August 2022**

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- 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](http://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 £
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Investment income	2,258	-	2,258	119
<b>Incoming resources from charitable activities</b>	459,003	-	459,003	454,747
<b>Total incoming resources</b>	<u>461,261</u>	<u>-</u>	<u>461,261</u>	<u>454,866</u>
<b>RESOURCES EXPENDED</b>				
<b>Charitable activities</b>	411,545	(4,333)	407,212	337,873
<b>Governance costs</b>	12,287	-	12,287	11,090
<b>Total resources expended</b>	<u>423,832</u>	<u>(4,333)</u>	<u>419,499</u>	<u>348,963</u>
<b>NET INCOMING/(OUTGOING) RESOURCES</b>	37,429	4,333	41,762	105,903
<b>Other recognised gains/(losses)</b>				
Gains on investment assets	-	-	-	-
Actuarial gains/(losses) on defined benefit schemes	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>
<b>Net movement in funds</b>	37,429	4,333	41,762	116,903
<b>Total funds brought forward</b>	348,818	(1,325)	347,493	230,590
<b>TOTAL FUNDS CARRIED FORWARD</b>	<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 £
<b>FIXED ASSETS</b>				
Tangible assets	2,456	-	2,456	2,068
Investments	-	-	-	-
<b>Total fixed assets</b>	<u>2,456</u>	<u>-</u>	<u>2,456</u>	<u>2,068</u>
<b>CURRENT ASSETS</b>				
Debtors	(575)	-	(575)	5,020
Cash at hand and in bank	400,759	3,008	403,767	357,389
<b>Total current assets</b>	<u>400,184</u>	<u>3,008</u>	<u>403,192</u>	<u>362,409</u>
<b>CURRENT LIABILITIES</b>				
Creditors: amounts falling due within one year	(16,396)	-	(16,393)	(12,651)
<b>NET CURRENT ASSETS</b>	<u>383,788</u>	<u>3,008</u>	<u>386,799</u>	<u>349,758</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	386,244	3,008	389,255	351,826
<b>PENSION LIABILITY</b>	-	-	-	(4,333)
<b>NET ASSETS</b>	<u>386,244</u>	<u>3,008</u>	<u>389,255</u>	<u>347,493</u>
<b>FUNDS</b>				
Unrestricted funds			386,247	348,818
Restricted funds			3,008	3,008
Pension fund			-	(4,333)
<b>Total Charity funds</b>			<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**

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## **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  
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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>

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Notes to the Financial Statements  
For the Year Ended 31 August 2022**

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**4. CHARITABLE ACTIVITIES COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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**

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

**8. STAFF COSTS**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
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:

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

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



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**9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Notes	Unrestricted Funds £	Restricted Funds £	2021 Total Funds £
<b>INCOMING RESOURCES</b>				
<b>Incoming resources from generated funds</b>				
Investment income	2	119	-	119
<b>Incoming resources from charitable activities</b>				
	3	454,747	-	454,747
		<u>454,866</u>	<u>-</u>	<u>454,866</u>
<b>RESOURCES EXPENDED</b>				
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>
<b>NET INCOMING RESOURCES</b>		105,903	9,000	114,903
<b>Other recognised gains/(losses)</b>				
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>
<b>RECONCILIATION OF FUNDS</b>				
Total funds brought forward		242,915	(12,325)	230,590
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>348,818</u>	<u>(1,325)</u>	<u>347,493</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
Net incoming resources for the year		105,903	11,000	116,903
Other comprehensive incoming/(outgoing) resources		-	-	-
<b>Total comprehensive net incoming resources</b>		<u>105,903</u>	<u>11,000</u>	<u>116,903</u>

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**10. TANGIBLE FIXED ASSETS**

	Office Furniture £	Computer Equipment £	Total £
<b>Cost</b>			
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>
<b>Depreciation</b>			
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>
<b>Net Book Value</b>			
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>

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**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 £
<b>Unrestricted funds</b>			
General and designated funds	348,818	37,429	386,247
<b>Restricted funds</b>			
Restricted fund	3,008	-	3,008
Pension fund	(4,333)	4,333	-
<b>TOTAL FUNDS</b>	<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 £
<b>Unrestricted funds</b>				
General and designated funds	461,261	(423,832)	-	37,429
<b>Restricted funds</b>				
Restricted fund	-	-	-	-
Pension fund	-	4,333	-	4,333
	<u>461,261</u>	<u>(419,499)</u>	<u>-</u>	<u>41,762</u>

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## **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).

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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.

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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.