

**REGISTERED NUMBER - 04258802**

**EASTERN REGION MINISTRY COURSE**  
(a company limited by guarantee)

**ACCOUNTS**

**For the year ended 31 August 2021**

**EASTERN REGION MINISTRY COURSE**  
**(a company limited by guarantee)**

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## **EASTERN REGION MINISTRY COURSE**

### **TRUSTEES AND DIRECTORS**

Rt. Revd Richard William Bryant Atkinson OBE (Chair)  
Revd William Douglas Fitzgerald Gulliford  
Ms Susan Elizabeth Pope  
Revd Stephen Michael Benoy  
Revd David Brereton Foster (resigned 18 August 2021)  
Revd Nicholas Ian Moir  
Revd Dr Alexander Soenderup Jensen  
Professor Joyce Margaret Hill  
Revd Timothy Llewellyn Jones (resigned 18 August 2021)  
The Venerable Alexander James Hughes  
The Venerable Karen Elizabeth Hutchinson  
The Reverend Jane Hilary Le Sève (resigned 18 August 2021)

### **COMPANY SECRETARY**

Revd Dr Alexander Soenderup Jensen

### **PRINCIPAL OFFICE**

1a the Bounds  
Westminster College  
Lady Margaret Road  
Cambridge  
CB3 0BJ

### **BANKERS**

Barclays Bank PLC  
28 Chesterton Road  
Cambridge  
CB4 3AZ

### **AUDITORS**

Chater Allan LLP  
Beech House  
4a Newmarket Road  
Cambridge  
CB5 8DT

### **REGISTERED NUMBER**

04258802

### **CHARITY NUMBER**

1090989

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Trustees and Directors Report**

The Trustees and Directors of the Council are pleased to present their annual report for the year ended 31st August 2021 under the Charities Act 2011, together with the audited accounts for the year and confirm that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2019.

**Reference and Administrative Information**

The charity is registered with the Charity Commission under charity number 1090989 and is a company limited by guarantee, number 04258802. The registered office is 1a The Bounds, Westminster College, Lady Margaret Road, Cambridge, CB3 0BJ. Particulars of the Charity's Trustees, Council members and professional advisers are listed on Page 1.

**Structure, Governance and Management**

The Charity is a Limited Company and its Directors are members of the Governing Council.

Members of the Board are appointed according to the Articles of Association and must not exceed twenty or reduce to less than two. The Governing Council, which meets termly, receives reports on the progress of the Course from the Principal, Senior Students and on financial matters from the Finance and General Purposes Committee.

The Finance and General Purposes Committee acts as a general purposes and executive committee with the power to act on all day-to-day matters with particular responsibility for the oversight of the ERMC's financial affairs in accordance with legislative requirements, regulations and guidelines.

The Governing Council is responsible for the submission of the annual financial statements and ensuring the Course maintains proper accounting records. The Finance and General Purposes Committee oversees these on a regular basis and reports to the Council. The Council is also responsible for safeguarding the assets of the Course and thereby taking reasonable steps to ensure the prevention and detection of fraud and irregularities.

The Council holds an annual away day, at which it reviews and develops strategy and priorities for the following year.

Most Council Members are nominated by stakeholders in accordance with the Articles of Association; these are then elected by the Council. The Council has reviewed the categories of membership and adapted them to reflect ERMC's current needs. The Council also has co-opted members, who bring expertise needed to the Council. These are identified and approached by the Chair and Principal, and then, after consultation and scrutiny proposed to the Council and elected.

We provide an induction pack and, if required, an induction session for new trustees.

The Chair of the Council has announced that he is going to retire at the next AGM. The Bishop of Huntingdon, the Right Rev'd Dr Dagmar Winter has been proposed as his successor and she is expected to be elected at the same AGM.

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Risk Management**

The Governing Council is responsible for the management of the risks faced by the Course. Risks are identified, assessed and controls established throughout the year.

A formal review of the charity's risk management processes is undertaken on an annual basis.

The Council is satisfied that the major risks identified have been adequately managed where necessary. It is recognised that control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**Objectives and Activities**

The Charity's Objectives are to advance the Christian religion through the provision of theological education and ministerial training to recognised candidates for ordained ministry in the Church of England, the Methodist Church, the United Reformed Church and in other mainstream Christian Churches and, where appropriate, for the preparation of suitable candidates for lay ministry.

The Course trains men and women for the ministry of the Churches of a region which includes the Anglican Dioceses of Ely, St Edmundsbury and Ipswich, Norwich, Peterborough, St Albans and Chelmsford. The Course also serves the Anglican Diocese in Europe.

**Achievements and Performance**

This was the second year in which we had to operate under the shadow of Covid. We had a good intake of students, with 24 new ordinands and 17 new LLMs in training. The summer school had to be held online, which made forming the community challenging this year. Five of our six residential weekends had to be held online, too. This meant that for ordinands and those LLMs in training who attend residentials an important aspect of their education was missing. Staff tried to mitigate this as much as they could by offering online chapel and online social events, but that was no substitute for meeting face-to-face. Online teaching continued to work very well.

We were able to hold the June weekend in hybrid mode, with those who could attend meeting face-to-face at a conference centre and the rest attending online. The opportunity to meet again in person was greatly appreciated by those attending. Because of the ongoing Covid situation it looks as if we may have to continue to offer our residential programme in hybrid mode.

Foundations for Ministry course, which we developed in collaboration with St Albans and Ely dioceses, ran for its first year. This is a non-accredited level 3 course for lay education, which St Albans and Ely use as part of their lay education and discernment programmes. Enrolment was much higher than expected. We provide online content, including discussion forums and a dedicated online tutor. The dioceses provide face-to-face opportunities for reflection and support. We received very encouraging student feedback and expect to run the course again.

During the year the Diocese in Europe agreed a new partnership for Reader training with us. From 2021/22 Readers in training from this diocese will study for the Certificate in Theology, Ministry and Mission using our online classes. This builds on the strong relationship built as a result of ERMIC providing the non-residential ordination training for the Diocese in Europe.

The new Tutor in Mission and Evangelism started January 2021. We appointed Mr John Wigfield, who has held a similar position at another TEI and brings with him a wealth of experience as a theological educator and missionary.

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Financial Review**

The Course continues to be funded by fees received from the Church of England. In the 2020/21 financial year we received the full fees for our students but had significantly reduced costs as a result of the cancellation of five residential weekends and the summer school. As a result, the Council reports a surplus of £106,712 after the actuarial gain of £8,000 on the defined benefit schemes. We were pleased that student numbers have remained stable at the higher level. For the following year student numbers are significantly higher. The Finance and General Purposes Committee continues to review expenditure so the ERM C will be sustainable in the long term.

**Reserves Policy**

The Council operates a reserves policy which states that the Trustees are satisfied that ERM C can operate with the equivalent of two months' worth of expenditure as a reserve. However, over the longer term, it is desirable to hold three months, provided that there is no detrimental effect on the running of the course.

At the year end, the level of reserves was equivalent to circa. 10 months expenditure. Whilst the Trustees will apply some of the reserves to enhance existing work, because of the uncertainties resulting from the Covid 19 pandemic and the economic consequences, the Trustees intend to keep a higher level of reserves until there is greater certainty again.

The Trustees note that the total unrestricted free reserves at the year-end were £336,755. Total reserves at 31st August 2021 are £339,942.

**Public benefit**

The Trustees have reviewed the activities of the past year in line with Charity Commission guidelines on public interest benefit. The aims and objectives of ERM C are within those guidelines interpreted by ERM C as providing specific benefit to those being trained for authorised church ministry and through them to the Anglican parishes and Methodist Circuits and wider communities in the region which we serve.

**Plans for the future**

The Church of England has embarked on a comprehensive review of the structures and financing of ministerial formation. The working group of which the Principal was a member has been disbanded and changes to the funding system will be introduced to General Synod. It is expected that these changes will provide more stable and predictable funding in the form of block grants from central funds. We will continue to engage with the process.

The Council has agreed the creation of a new position in practical theology. We were expecting to appoint the new tutor in January 2022, but this has now been delayed until the start of the following academic year.

Given their growing number we are planning to set up a mentoring system for independent students. This will, we expect, improve the student experience significantly.

ERM C is engaging with the 'From Lament to Action' report and its recommendations via a working group, which was formed in July 2021 and has produced an action plan for the next two years.

With the appointment of the new Chair of Council we will need to embark on a strategic planning process. We have come to the end of our three-year strategic plan and are now in a position to develop a longer-term strategic plan.

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Responsibilities of the Board of Trustees**

Under company law, the directors are required to prepare financial statements for each financial year which give a true and fair view of the state of the Company and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements the Board is responsible for

- keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each trustee has taken steps that he or she ought to have taken as trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to the small companies.

Rt. Revd Richard William Bryant Atkinson OBE (Chair)

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Signed on behalf of the Council

Date: 18th March 2022

## **EASTERN REGION MINISTRY COURSE REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MEMBERS**

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We have audited the financial statements of Eastern Region Ministry Course (the charitable company) for the year ended 31 August 2021 which comprise Statement of Financial Activities, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company'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.
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the 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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **EASTERN REGION MINISTRY COURSE REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MEMBERS**

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### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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:

## **EASTERN REGION MINISTRY COURSE REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MEMBERS**

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### **Auditor's responsibilities for the audit of the financial statements (continued)**

The potential effect of these laws and regulations on the annual financial statements varies considerably. Firstly, the charitable company is subject to laws and regulations that directly affect the annual financial statements including financial reporting legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related annual account items. Secondly, the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance non-compliance with industry regulations. We assessed the risk of fraud in the financial statements through discussion with management and from our experience of the charitable company. We communicated identified fraud risk areas throughout our team and remained alert to any indication of fraud throughout the audit. In particular, we assessed the potential impact of the global pandemic known as Covid-19 on the risk of fraud.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the annual financial statements from our general commercial and charitable company specific experience, through discussion with the directors (as required by auditing standards), and from inspection of the charitable company's regulatory correspondence, and we discussed with the directors the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indication to non-compliance throughout the audit; the audit team are deemed both competent and capable of identifying non-compliance with rules and regulations.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance with laws and regulations. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located 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.

### **Use of report**

This report is made solely to the trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Stuart Graham Berriman (Senior Statutory Auditor)  
 for and on behalf of Chater Allan LLP,  
 Chartered Accountants & Statutory Auditor,  
 Beech House  
 4a Newmarket Road  
 Cambridge

Date: 25 March 2022

**EASTERN REGION MINISTRY COURSE**  
**STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £	Total Funds 2020 £
<b>Income from:</b>					
Donations		2,555	-	2,555	2,430
Charitable activities:					
- Theological education and ministerial training		499,527	-	499,527	451,342
- Other		-	-	-	2,108
Investments		41	-	41	395
<b>Total</b>		<b>502,123</b>	<b>-</b>	<b>502,123</b>	<b>456,275</b>
<b>Expenditure</b>					
Charitable activities	2	403,411	-	403,411	360,008
<b>Total</b>		<b>403,411</b>	<b>-</b>	<b>403,411</b>	<b>360,008</b>
<b>Net income/(expenditure)</b>		<b>98,712</b>	<b>-</b>	<b>98,712</b>	<b>96,267</b>
Transfer between funds		-	-	-	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains/(losses) on defined benefit pension schemes	12	8,000	-	8,000	27,000
<b>Net movement in funds</b>		<b>106,712</b>	<b>-</b>	<b>106,712</b>	<b>123,267</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		232,900	330	233,230	109,963
<b>Total funds carried forward</b>	<b>11</b>	<b>339,612</b>	<b>330</b>	<b>339,942</b>	<b>233,230</b>

None of the Course's activities were acquired or discontinued during the above two financial years.

**EASTERN REGION MINISTRY COURSE  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2021**

REGISTERED NUMBER - 04258802

	Note	2021		2020	
<b>FIXED ASSETS</b>		£	£	£	£
Tangible Assets	5		2,857		3,892
<b>CURRENT ASSETS</b>					
Debtors	6	33,182		46,987	
CBF Deposit Account		100,162		162	
Cash at Bank		278,397		243,163	
Petty Cash		-		-	
<b>TOTAL CURRENT ASSETS</b>		411,742		290,312	
<b>CURRENT LIABILITIES</b>					
Creditors	7	73,657		48,974	
		73,657		48,974	
<b>NET CURRENT ASSETS</b>			338,085		241,338
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			340,942		245,230
<b>DEFINED BENEFIT PENSION SCHEME LIABILITY</b>	8		(1,000)		(12,000)
<b>NET ASSETS</b>			339,942		233,230
<b>THE FUNDS OF THE CHARITY:</b>					
Unrestricted Fund:					
General Fund			339,612		232,900
Restricted Fund	10		330		330
<b>TOTAL CHARITY FUNDS</b>			339,942		233,230

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to the small companies.

Approved by the Council on 18th March 2022  
and signed by:

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Rt Revd Richard William Bryant Atkinson

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Rt. Revd Richard William Bryant Atkinson OBE (Chair)

DocuSigned by:

ALEXANDER S. JENSEN

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Revd Dr Alexander Soenderup Jensen

**EASTERN REGION MINISTRY COURSE  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Cash flows from operating activities:</b>		
Net cash provided by operating activities	<u>135,899</u>	<u>61,093</u>
<b>Cash flows from investing activities:</b>		
Interest from investments	41	395
Purchase of property, plant and equipment	<u>(397)</u>	<u>(620)</u>
Net cash provided by investing activities	<u>(356)</u>	<u>(225)</u>
<b>Cash flows from financing activities</b>		
Interest paid	(309)	(332)
<b>Change in cash and cash equivalents in the reporting period</b>	<u>135,234</u>	<u>60,537</u>
Cash and cash equivalents at the beginning of the reporting period	243,325	182,788
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>378,559</u></u>	<u><u>243,325</u></u>
<b>Summary of the cash and cash equivalents at the end of the reporting period</b>		
Cash at bank and in hand	378,559	243,325
	<u><u>378,559</u></u>	<u><u>243,325</u></u>
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
Net income/(expenditure) for the reporting period	98,712	96,267
Adjustments for:		
Depreciation charges	1,432	1,899
Gains/(losses) losses on defined benefit pension scheme	8,000	27,000
Interest from investments	(41)	(395)
Interest paid shown in financing activities	309	332
Decrease/(increase) in debtors	13,804	(18,402)
Increase/(decrease) in creditors	13,683	(45,607)
Net cash provided by operating activities	<u><u>135,899</u></u>	<u><u>61,093</u></u>

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1) GENERAL INFORMATION**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 1a The Bounds, Westminster College, Lady Margaret Road, Cambridge, CB3 0BJ.

A separate income and expenditure summary has not been produced as it is not considered necessary to do so.

ERMC meets the definition of a public benefit entity under FRS 102.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to a maximum of £10 per member of the company.

**STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

**ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. Interest is fully accrued at the balance sheet date.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Grants and donations payable are accounted for when a legal or constructive obligation arises. A constructive obligation arises where the other party has a reasonable expectation of receipt.

**Depreciation of Fixed Assets**

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

Furniture	10 years on cost
Equipment	5 years on cost
Computers and computer equipment	3 years on cost
Library	15 years on cost

**Pension Costs**

The company operates two defined benefits pension schemes. Contributions payable to these schemes are charged to the Income and Expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. These contributions are invested separately from the course's assets. Under Section 28 of FRS 102 provision is made for agreed deficit recovery payments.

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**1) ACCOUNTING POLICIES (continued)**

**Going Concern**

The Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered the potential impact on the charitable company of the current global pandemic known as COVID-19. In the opinion of the Trustees there will be no material adverse effect on the charitable company's ability to continue. The Trustees believe the charitable company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

**Financial instruments:**

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**2) CHARITABLE ACTIVITY EXPENDITURE**

**Theological education and ministerial training**

**Direct costs:**

	<b>2021 £</b>	<b>2020 £</b>
Tutorial staff	197,423	135,386
Staff travel, training and book allowances	6,172	8,464
Tutors' fees and expenses	7,984	25,185
Centre teacher expenses	705	9,963
Other academic costs	25,421	24,169
Tutorial support staff	59,714	60,986
Recruitment & meals costs	485	1,501
Insurance	1,679	1,488
Other direct premises costs	17,733	17,844
Residential weekends and summer school	46,579	37,065
Staff housing costs	13,211	12,995
Depreciation charge	1,432	1,899
Bad debts	-	30
	<b>378,537</b>	<b>336,974</b>

**Support costs:**

Service charges	2,996	2,533
Printing, stationery and photocopying	4,033	4,678
Postage and telephone	594	315
Branding and web design	986	887
IT costs	1,400	228
Gas & Electricity	933	478
Governance- Audit fees	4,200	2,323
Council expenses	-	105
Professional fees	8,416	9,273
Other support costs	1,317	2,216
	<b>24,874</b>	<b>23,034</b>

**Total costs**

<b>403,411</b>	<b>360,008</b>
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**3) ANALYSIS OF STAFF COSTS AND REMUNERATION TO KEY PERSONNEL**

	<b>2021 £</b>	<b>2020 £</b>
Wages and salaries	190,328	141,611
Social security costs	13,919	12,019
Pension costs	30,685	28,443
Staff book allowances	1,865	1,301
	<b>236,798</b>	<b>183,374</b>

The average number of persons employed by the Course during the year was: -

	<b>2021</b>	<b>2020</b>
Academic staff	5	4
Tutorial support staff	11	2
	<b>16</b>	<b>6</b>

There were no employees paid in excess of £60,000 in the year.

£nil was paid to trustees for council expenses.

During the year one trustee Revd Dr Jensen received £45,389 in his capacity as Principal.

**Key management personnel**

During the year remuneration received by key management personnel totalled £54,389.



**EASTERN REGION MINISTRY COURSE  
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**4) NET INCOME/(EXPENDITURE)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net income/ (expenditure) is stated after charging:		
Depreciation of tangible fixed assets	1,432	1,899
Auditors' remuneration	4,200	2,323
Auditors' remuneration: (under)/over accrual in prior year	(600)	760
Pension costs	30,685	28,443

**5) FIXED ASSETS**

<b>Cost</b>	<b>Computer Equipment £</b>	<b>Office Equipment &amp; Furniture £</b>	<b>Library £</b>	<b>Total £</b>
At 1 September 2020	7,333	7,760	20,216	35,309
Additions	-	397	-	397
Disposals	-	-	-	-
At 31 August 2021	7,333	8,157	20,216	35,706
<b>Depreciation</b>				
At 1 September 2020	5,914	5,287	20,216	31,417
Charge for Year	980	452	-	1,432
Eliminated on disposal	-	-	-	-
At 31 August 2021	6,894	5,739	20,216	32,850
<b>Net Book Value:</b>				
At 31 August 2021	439	2,418	-	2,857
At 31 August 2020	1,419	2,473	-	3,892

All assets are used for charitable purposes.

**6) DEBTORS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees outstanding	4,767	35,057
Prepayments and accrued income	28,416	11,930
Other debtors	-	-
	33,182	46,987

**7) CREDITORS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	35,829	17,411
Accruals and deferred income	21,152	18,538
Other creditors	5,676	5,025
Pension deficit reduction provision	11,000	8,000
	73,657	48,974

**8) PENSION PROVISIONS**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Balance as at 1st September	20,000	47,000
Deficit contributions (paid)/incurred	(8,000)	(8,000)
Interest cost	-	2,000
Remaining change to the balance sheet liability	-	(21,000)
Balance as at 31 August	12,000	20,000
Due in less than one year	11,000	8,000
Due in more than one year	1,000	12,000

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**8) PENSION PROVISIONS (continued)**

The charity has entered into a deficit recovery plan in respect of the Church of England Funded Pension Scheme, see note 12. The pension provisions are based on the pension scheme's year end of 31 December ended in the charity's accounting year.

The charity has entered into a deficit recovery plan in respect of the Church Workers Pension Fund, see note 12. The pension provisions are based on the pension scheme's year end of 31 December ended in the charity's accounting year.

**9) OPERATING LEASE COMMITMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>Office Equipment</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Expiring:		
In less than one year	14,642	15,369
Between one and five years	57,600	57,600
Greater than five years	244,558	258,231
	<u>316,800</u>	<u>331,200</u>

Lease payment rentals recognised as an expense for the year amounted to £483

**10) RESTRICTED FUND**

	<b>Liturgy Binders Fund</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Balance as at 1 September 2020	330	330
Incoming resources	-	-
	<u>330</u>	<u>330</u>
Less outgoing resources	-	-
Transfer from Unrestricted Fund	-	-
	<u>330</u>	<u>330</u>
Balance as at 31 August 2021	<u>330</u>	<u>330</u>

The Restricted Fund was set up in 2003 with a donation of £330 to purchase liturgy binders.

**11) ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Tangible Fixed Assets</b>	<b>Net Current Assets</b>	<b>Pension Provisions</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Restricted Funds	-	330	-	330
<b>Unrestricted Funds:</b>				
General Fund	2,857	337,755	(1,000)	339,612
	<u>2,857</u>	<u>338,085</u>	<u>(1,000)</u>	<u>339,942</u>

**12) PENSION SCHEMES**

**a) Church Workers Pension Fund**

Eastern Region Ministry Course participates in the Defined Benefits Scheme section of 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.

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.

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
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**12) PENSION SCHEMES (continued)**

**Defined Benefits Scheme**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is 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 specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, 2021: £4,016 (2020: £3,656), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £6,016 for 2021 (2020: £5,656).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2019. In this valuation, the Life Risk Section was shown to be in deficit by £7.7m and £7.7m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £11.3m.

The next actuarial valuation is due at 31 December 2022.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £1,800 per year. In addition deficit payments of £2,721 per year have been agreed for 7 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2021	2020
Balance sheet liability at 1 January 2020/2019	7,000	8,000
Deficit contribution paid	(2,000)	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	1,000
Balance sheet liability at 31 December 2020/2019	5,000	7,000

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

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**12) PENSION SCHEMES (continued)**

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:

	Dec-21	Dec-20	Dec-19
Discount rate	1.50%	0.30%	1.20%

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

**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 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 pension costs charged to the SoFA in the year are contributions payable, 2021: £12,125 (2020: £8,225).

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. 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 3% following improvements in the funding position over 2021. 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, Eastern Region Ministry Course could become responsible for paying a share of that employer's pension liabilities.

**b) Clergy Pension Fund**

Eastern Region Ministry Course participates in the Church of England Funded Pensions Scheme for stipendiary

	December 2021	December 2020
Number of members at this Responsible Body	2	2

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

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
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**12) PENSION SCHEMES (continued)**

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. 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 pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, 2021: £19,781 (2020: £19,391), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £13,781 in 2021 (2020: £13,391).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 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 assumptions:

- An average 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 future improvements in mortality rates in line with the CMI 2018 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%p.a.

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

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

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force 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 FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

	2021	2020
Balance sheet liability at 1 January 2020/2019	13,000	39,000
Deficit contributions paid	(6,000)	(6,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(21,000)
Balance sheet liability at 31 December 2020/2019	<u>7,000</u>	<u>13,000</u>

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

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**12) PENSION SCHEMES (continued)**

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions. In general, these are set by reference to the duration of the deficit recovery payments but as at 31 December 2021, under accounting rules the payments are not discounted since the remaining recovery plan is less than 12 months. No price inflation assumption is needed since pensionable stipends for the remainder of the recovery plan are already known.

	December 2021	December 2020	December 2019	December 2018
Discount rate	0.0%	0.2%	1.1%	2.1%
Price inflation	n/a	3.1%	2.8%	3.1%
Increase to total pensionable payroll	-1.5%	1.6%	1.3%	1.6%

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

The pension provisions are based on the pension scheme's year end of 31 December ended in the charity's accounting year.

The valuations for the accounting year ending 31st August are as follows:

**Church Workers Pension Fund (CWPF)**

	2021	2020
Balance sheet liability at 1 January 2020/2019	7,000	8,000
Deficit contribution paid	(2,000)	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	-	1,000
Balance sheet liability at 31 December 2020/2019	<u>5,000</u>	<u>7,000</u>

**Church of England Funded Pension Scheme (CEFPS)**

	2021	2020
Balance sheet liability at 1 January 2020/2019	13,000	39,000
Deficit contribution paid	(6,000)	(6,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability*(recognised in SoFA)	-	(21,000)
Balance sheet liability at 31 December 2020/2019	<u>7,000</u>	<u>13,000</u>

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**13) STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31st AUGUST 2020**

	<b>General Fund £</b>	<b>Restricted Fund £</b>	<b>Total 2020 £</b>
<b>Income from:</b>			
Donations	2,430		2,430
Charitable activities:			
- Theological education and ministerial training	451,342		451,342
- Other	2,108		2,108
Investments	395		395
<b>Total</b>	<b>456,275</b>	<b>-</b>	<b>456,275</b>
<b>Expenditure</b>			
Charitable activities	360,008		360,008
<b>Total</b>	<b>360,008</b>	<b>-</b>	<b>360,008</b>
<b>Net (expenditure)/income</b>	<b>96,267</b>	<b>-</b>	<b>96,267</b>
Transfer between funds	-	-	-
<b>Other recognised gains/(losses)</b>			
Actuarial gains/(losses) on defined benefit pension schemes	27,000	-	27,000
<b>Net movement in funds</b>	<b>123,267</b>	<b>-</b>	<b>123,267</b>
<b>Reconciliation of funds:</b>			
Total funds brought forward	109,633	330	109,963
<b>Total funds carried forward as restated</b>	<b>232,900</b>	<b>330</b>	<b>233,230</b>

**14) RELATED PARTY TRANSACTIONS**

There were no related party transactions except as noted in note 3.