

REGISTERED NUMBER - 04258802

EASTERN REGION MINISTRY COURSE
(a company limited by guarantee)

ACCOUNTS

For the year ended 31 August 2022

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 until 18/03/2022; resigned 18/03/2022)
Revd Stuart William Batten (appointed 18/03/2022)
Revd Dr Michael Frederick Fox (appointed 18/03/2022)
Revd Timothy Edward Goodbody (appointed 18/03/2022)
Revd William Douglas Fitzgerald Gulliford
Ms Susan Elizabeth Pope
Revd Stephen Michael Benoy (resigned 18/03/2022)
Revd Nicholas Ian Moir
Revd Dr Alexander Soenderup Jensen
Professor Joyce Margaret Hill
The Venerable Alexander James Hughes
The Venerable Karen Elizabeth Hutchinson (resigned 18/03/2022)
Rt. Revd Dagmar Winter (Chair from 18/03/2022; appointed 18/03/2022)

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
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

REGISTERED NUMBER

04258802

CHARITY NUMBER

1090989

**EASTERN REGION MINISTRY COURSE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees and Directors Report

The Trustees and Directors of the Council are pleased to present their annual report for the year ended 31st August 2022 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 Trustees are members of the Council. Staff, student and Cambridge Theological Federation representatives are not Trustees and in attendance. The 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 an executive committee with the power to act on all day-to-day matters with particular responsibility for the oversight of the ERM's financial affairs in accordance with legislative requirements, regulations and guidelines.

The 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 Annual General Meeting. The Council has reviewed the categories of membership and adapted them to reflect ERM'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 retired at the AGM. The Bishop of Huntingdon, the Right Rev'd Dr Dagmar Winter was elected Chair at the same AGM.

**EASTERN REGION MINISTRY COURSE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2022**

Risk Management

The 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 year we had an excellent intake of students, with 30 new ordinands, 23 new LLMs in training and six independent students. Our total student numbers were 64 ordinands, 40 Readers and LLMs in training and 11 independent students. 36 students were enrolled in the Foundations for Ministry Course, our non-accredited level 3 lay training course, which we run in partnership with the Dioceses of Ely and St Albans.

We were glad that we were able to hold our summer school, residential weekends and evening classes face-to-face again. Because of the continuing travel restrictions our students from the Diocese in Europe were unable to attend the summer school and most of the weekends in the year in person, which meant that they had to be held in hybrid mode. The May weekend was the first one where everybody could attend and we were able stop offering the online option.

During the year the Diocese of St Edmundsbury and Ipswich agreed a renewed partnership for Reader training with us. Such a partnership had existed until 2017, when the diocese decided to take their Reader training in-house. After a review of the new provision the diocese asked us if we could re-establish this partnership, and their Readers in training will study with us again from 2022/23.

We filled the new position in practical theology internally. John Wigfield, our part-time Tutor in Mission and Evangelism took on this role and is working with us full-time now. We appointed a Kate Farley as our new study skills tutor. She is providing excellent general study skills support and specialised support for students with specific learning difficulties.

Financial Review

The Course continues to be funded by fees received from the Church of England. In the 2021/22 financial year we received the full fees for our students but continued to have reduced costs as a result of lower attendance at our residential weekends due to the continuing travel restrictions. As a result, the Council reports a surplus of £37,218 after the actuarial loss of £15,000 on the defined benefit pension schemes. It became clear during the year that ordinand numbers would be significantly lower in 2022/23, which is a national trend due to a number of factors, among them the introduction of the new discernment process and the disruption caused by Covid. The Finance and General Purposes Committee continues to review expenditure so the ERMV will be sustainable in the long term.

**EASTERN REGION MINISTRY COURSE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2022**

Reserves Policy

The Council operates a reserves policy which states that the Trustees are satisfied that ERM C can operate with the equivalent of three months' worth of expenditure as a reserve.

At the year end, the level of reserves was equivalent to circa. 9 months expenditure. The Trustees will apply some of the reserves to enhance existing work. However, because of the uncertainty around student numbers 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 £374,090. Total reserves at 31st August 2022 are £377,160.

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

As reported last year, the Church of England has embarked on a comprehensive review of the structures and financing of ministerial formation. The detailed proposals have been published for consultation. The new funding mechanism will, as hoped, provide greater financial predictability and stability by calculating income according to an agreed target range, limiting the loss of income when ordinand numbers fall below the agreed range.

At its away day in June 2022 the Council set up a working group to prepare a new strategic plan. This work is now in progress. Whilst this work is ongoing, we continue to deepen and strengthen our relationships with our partner dioceses and seek opportunities to build new partnerships.

Responsibilities of the Board of Trustees

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the income, expenditure and financial activities of the charity for that year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

**EASTERN REGION MINISTRY COURSE
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2022**

Responsibilities of the Board of Trustees (continued)

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


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 a 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.

Auditors

The auditors, Chater Allan LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report, which has been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to small entities.

The trustees' annual report was approved on 16th March 2023 and signed on behalf of the board of trustees by:

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The Rt Revd Dr Dagmar Winter (Chair)

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

We have audited the financial statements of Eastern Region Ministry Course (the charitable company) for the year ended 31 August 2022 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 and United Kingdom Accounting Standard, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 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.
- 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

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 (who are also the directors of the charitable company for purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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

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 did not identify any instances of fraud during the course of our audit.

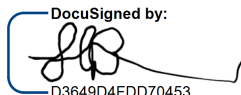
We identified areas of laws and regulations that could reasonably be expected to have a material effect on the annual financial statements from our general commercial and charitable company specific experience, through discussion with the directors (as required by auditing standards), and from inspection 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,
 7 Quay Court
 Colliers Lane
 Stow-cum-Quay
 CB25 9AU

Date: 05 April 2023

EASTERN REGION MINISTRY COURSE
STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from:					
Donations		1,350	-	1,350	2,555
Charitable activities:					
- Theological education and ministerial training		522,488	-	522,488	499,527
Investments		557	-	557	41
Total		524,395	-	524,395	502,123
Expenditure					
Charitable activities	2	472,177	-	472,177	395,411
Total		472,177	-	472,177	395,411
Net income/(expenditure)		52,218	-	52,218	106,712
Transfer between funds		-	-	-	-
Other recognised gains/(losses)					
Actuarial (losses)/gains on defined benefit pension schemes	12	(15,000)	-	(15,000)	-
Net movement in funds		37,218	-	37,218	106,712
Reconciliation of funds:					
Total funds brought forward		339,612	330	339,942	233,230
Total funds carried forward	11	376,830	330	377,160	339,942

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 2022**

REGISTERED NUMBER - 04258802

	Note	2022		2021	
FIXED ASSETS		£	£	£	£
Tangible Assets	5		2,740		2,857
CURRENT ASSETS					
Debtors	6	65,865		33,183	
CBF Deposit Account		100,461		100,162	
Cash at Bank		293,345		278,397	
TOTAL CURRENT ASSETS		459,671		411,742	
CURRENT LIABILITIES					
Creditors	7	77,251		73,657	
		77,251		73,657	
NET CURRENT ASSETS			382,420		338,085
TOTAL ASSETS LESS CURRENT LIABILITIES			385,160		340,942
DEFINED BENEFIT PENSION SCHEME LIABILITY	8		(8,000)		(1,000)
NET ASSETS			377,160		339,942
THE FUNDS OF THE CHARITY:					
Unrestricted Fund:					
General Fund			376,830		339,612
Restricted Fund	10		330		330
TOTAL CHARITY FUNDS			377,160		339,942

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 16th March 2023
and signed by:

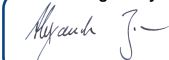
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The Rt Revd Dr Dagmar Winter (Chair)

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Revd Dr Alexander Soenderup Jensen

**EASTERN REGION MINISTRY COURSE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2022**

	Total 2022 £	Total 2021 £
Cash flows from operating activities:		
Net cash provided by operating activities	<u>15,894</u>	<u>135,899</u>
Cash flows from investing activities:		
Interest from investments	557	41
Purchase of property, plant and equipment	<u>(840)</u>	<u>(397)</u>
Net cash provided by investing activities	<u>(283)</u>	<u>(356)</u>
Cash flows from financing activities		
Interest paid	(364)	(309)
Change in cash and cash equivalents in the reporting period	<u>15,247</u>	<u>135,234</u>
Cash and cash equivalents at the beginning of the reporting period	378,559	243,325
Cash and cash equivalents at the end of the reporting period	<u><u>393,806</u></u>	<u><u>378,559</u></u>
Summary of the cash and cash equivalents at the end of the reporting period		
Cash at bank and in hand	393,806	378,559
	<u><u>393,806</u></u>	<u><u>378,559</u></u>
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period	52,218	106,712
Adjustments for:		
Depreciation charges	957	1,432
Gains/(losses) losses on defined benefit pension scheme	(15,000)	-
Interest from investments	(557)	(41)
Interest paid shown in financing activities	364	309
Decrease/(increase) in debtors	(32,681)	13,804
Decrease/(increase) in creditors	10,595	13,683
Net cash provided by operating activities	<u><u>15,894</u></u>	<u><u>135,899</u></u>

**EASTERN REGION MINISTRY COURSE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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.

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 company's assets. Under Section 28 of FRS 102 provision is made for agreed deficit recovery payments.

Companies Act 2006

These financial statements have been prepared in accordance with the Companies Act 2006 with amendments to enhance the "True and Fair" view. The inclusion of an Income and Expenditure account is not deemed necessary as the information is disclosed in the Statement of Financial Activities.

**EASTERN REGION MINISTRY COURSE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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 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 2022**

2) CHARITABLE ACTIVITY EXPENDITURE

Theological education and ministerial training

Direct costs:

	2022	2021
	£	£
Tutorial staff	205,666	193,293
Staff travel, training and book allowances	7,938	2,302
Tutors' fees and expenses	9,200	7,984
Centre teacher expenses	12,715	705
Other academic costs	21,828	25,421
Tutorial support staff	59,743	59,714
Recruitment & meals costs	536	485
Insurance	1,750	1,679
Other direct premises costs	17,903	17,733
Residential weekends and summer school	89,869	46,579
Staff housing costs	16,372	13,211
Depreciation charge	957	1,432
Bad debts	2,160	-
	<u>446,637</u>	<u>370,537</u>

Support costs:

Service charges	2,348	2,996
Printing, stationery and photocopying	5,139	4,033
Postage and telephone	364	594
Branding and web design	1,151	986
IT costs	216	1,400
Gas & Electricity	635	933
Audit fees	4,300	4,200
Council expenses and meeting costs	1,145	-
Professional fees	9,574	8,416
Other support costs	668	1,317
	<u>25,540</u>	<u>24,874</u>

Total costs

<u>472,177</u>	<u>395,411</u>
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3) ANALYSIS OF STAFF COSTS AND REMUNERATION TO KEY PERSONNEL

	2022	2021
	£	£
Wages and salaries	190,644	190,328
Social security costs	14,733	13,919
Pension costs	29,271	26,791
Staff book allowances	2,402	1,301
	<u>237,050</u>	<u>232,339</u>

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

	2022	2021
Academic staff	5	5
Tutorial support staff	13	11
	<u>18</u>	<u>16</u>

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

£486 was paid to 5 trustees for council expenses.

During the year one trustee, Revd Dr Jensen received £45,319 in his capacity as Principal.

Key management personnel

During the year remuneration received by key management personnel totalled £49,441.

**EASTERN REGION MINISTRY COURSE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

4) NET INCOME/(EXPENDITURE)

	2022	2021
	£	£
Net income/ (expenditure) is stated after charging:		
Depreciation of tangible fixed assets	957	1,432
Auditors' remuneration	4,000	3,600
Auditors' remuneration- relating to previous years	300	600
Pension costs	29,271	26,791

5) FIXED ASSETS

Cost	Computer Equipment £	Office Equipment & Furniture £	Library £	Total £
At 1 September 2021	7,333	8,157	20,216	35,706
Additions	840	-	-	840
Disposals	-	-	-	-
At 31 August 2022	8,173	8,157	20,216	36,546
Depreciation				
At 1 September 2021	6,894	5,739	20,216	32,849
Charge for Year	505	452	-	957
Eliminated on disposal	-	-	-	-
At 31 August 2022	7,399	6,191	20,216	33,806
Net Book Value:				
At 31 August 2022	774	1,966	-	2,740
At 31 August 2021	439	2,418	-	2,857

All assets are used for charitable purposes.

6) DEBTORS

	2022	2021
	£	£
Fees outstanding	32,541	4,767
Prepayments and accrued income	33,324	28,416
Other debtors	-	-
	65,865	33,183

7) CREDITORS

	2022	2021
	£	£
Trade creditors	32,771	35,829
Accruals and deferred income	22,767	21,152
Other creditors	9,713	5,676
Pension deficit reduction provision	12,000	11,000
	77,251	73,657

8) PENSION PROVISIONS

	2022	2021
	£	£
Balance as at 1st September	12,000	20,000
Deficit contributions (paid)/incurred	(7,000)	(8,000)
Interest cost	-	-
Remaining change to the balance sheet liability	15,000	-
Balance as at 31 August	20,000	12,000
Due in less than one year	12,000	11,000
Due in more than one year	8,000	1,000

**EASTERN REGION MINISTRY COURSE
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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:

	Office Equipment	
	2022	2021
	£	£
Expiring:		
In less than one year	14,400	14,642
Between one and five years	57,600	57,600
Greater than five years	230,400	244,558
	<u>302,400</u>	<u>316,800</u>

Lease payment rentals recognised as an expense for the year amounted to £14,400

10) RESTRICTED FUND

	Liturgy Binders Fund	Total
	£	£
Balance as at 1 September 2021	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 2022	<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

	Tangible Fixed Assets	Net Current Assets	Pension Provisions	Total
	£	£	£	£
Restricted Funds	-	330	-	330
Unrestricted Funds:				
General Fund	2,740	382,090	(8,000)	376,830
	<u>2,740</u>	<u>382,420</u>	<u>(8,000)</u>	<u>377,160</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. This does 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 DBS 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, 2022: £4,521 (2021: £4,016), 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 £15,521 for 2022 (2021: £2,016).

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 were agreed for 7 years from 1 April 2021 in respect of the shortfall in the Employer sub-pool.

Due to the improvements in the projected funding position of the Fund, the Church of England Pensions Board agreed that deficit contributions should cease with effect from 31 December 2022 for employers whose pools were estimated to be materially in surplus. As a result, there is no obligation recognised as a liability within the Employer's financial statements as at 31 December 2022. A liability has been recognised at earlier dates.

The movement in the provision is set out below:

	2022	2021
Balance sheet liability at 1 January 2021/2020	5,000	7,000
Deficit contribution paid	(3,000)	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	14,000	-
Balance sheet liability at 31 December 2021/2020	16,000	5,000

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

**EASTERN REGION MINISTRY COURSE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022**

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-22	Dec-21	Dec-20
Discount rate	0.00%	1.50%	0.30%

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, 2022: £10,113 (2021: £9,144).

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 clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which hold the assets of the schemes separately from those of the Responsible Bodies.

The template caters for Responsible Bodies that participate in the CEFPS and report under FRS102 based on calendar years.

	December 2022	December 2021
Number of members at this Responsible Body	3	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. It is not possible to attribute the Scheme's assets and liabilities to each Resonsible Body, and this means that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, 2022: £19,189 (2021: £19,781), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £16,189 in 2022 (2021: £13,781).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,7208m and a funding target of £2,160m, assessed using the following assumptions:

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

Following the 31 December 2018 valuation, a deficit 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. 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.

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.

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

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

	2022	2021
Balance sheet liability at 1 January 2021/2020	7,000	13,000
Deficit contributions paid	(4,000)	(6,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	1,000	-
Balance sheet liability at 31 December 2021/2020	<u>4,000</u>	<u>7,000</u>

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

**EASTERN REGION MINISTRY COURSE
NOTES TO THE ACCOUNTS
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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. 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	December 2019
Discount rate	n/a	0.0%	0.2%	1.1%
Price inflation	n/a	n/a	3.1%	2.8%
Increase to total pensionable payroll	n/a	-1.5%	1.6%	1.3%

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

Church Workers Pension Fund (CWPF)

	2022	2021
Balance sheet liability at 1 January 2021/2020	5,000	7,000
Deficit contribution paid	(3,000)	(2,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	14,000	-
Balance sheet liability at 31 December 2021/2020	<u>16,000</u>	<u>5,000</u>

Church of England Funded Pension Scheme (CEFPS)

	2022	2021
Balance sheet liability at 1 January 2021/2020	7,000	13,000
Deficit contribution paid	(4,000)	(6,000)
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability*(recognised in SoFA)	1,000	-
Balance sheet liability at 31 December 2021/2020	<u>4,000</u>	<u>7,000</u>

**EASTERN REGION MINISTRY COURSE
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13) STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31st AUGUST 2021

	General Fund £	Restricted Fund £	Total 2021 £
Income from:			
Donations	2,555		2,555
Charitable activities:			
- Theological education and ministerial training	499,527		499,527
Investments	41		41
Total	502,123	-	502,123
Expenditure			
Charitable activities	395,411		395,411
Total	395,411	-	395,411
Net (expenditure)/income	106,712	-	106,712
Transfer between funds	-	-	-
Other recognised gains/(losses)			
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-
Net movement in funds	106,712	-	106,712
Reconciliation of funds:			
Total funds brought forward	232,900	330	233,230
Total funds carried forward	339,612	330	339,942

14) RELATED PARTY TRANSACTIONS

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