

ST MELLITUS COLLEGE TRUST

England & Wales · Charity number 1094157

Details

Other names	NORTH THAMES MINISTERIAL TRAINING PARTNERSHIP, NORTH THAMES MINISTERIAL TRAINING COURSE, NTMTC
Status	Registered
Legal form	Charitable company
Company number	04546328
Registered	2002-10-11
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE OBJECT OF THE CHARITY ("THE OBJECT") IS TO ADVANCE THE CAUSE OF THE CHRISTIAN RELIGION BY:1. PREPARING FOR PUBLIC MINISTRY CANDIDATES SELECTED BY THE CHURCH OF ENGLAND AND BY OTHER MEMBERS OF CHURCHES TOGETHER IN ENGLAND.2. PROVIDING OTHER THEOLOGICAL AND MINISTERIAL TRAINING AND CHRISTIAN EDUCATION.3. ENGAGING WITH OTHERS IN SUCH THEOLOGICAL AND MINISTERIAL AND CHRISTIAN EDUCATION.

Activities: Theological training for Church of England ordinands, Lay Readers and others.

Classification

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

Geography

- **Area of benefit:** GREATER LONDON
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£4,533,212	£4,490,786	£820,437	26
2024-07-31	£3,817,184	£3,950,013	£778,011	23
2023-07-31	£3,004,168	£3,153,728	£910,840	24
2022-07-31	£3,477,537	£3,432,288	£1,060,400	26
2021-07-31	£3,866,255	£3,406,642	£1,008,678	31
2020-07-31	£3,687,839	£3,388,895	£538,378	32

Trustees

Name	Role	Appointed
Angus Christian Winther		2019-10-18
Catherine Wallace Butcher		2023-10-01
Dr GRAHAM STUART TOMLIN		
Rev Adeola Winifred Eleyae		2024-06-10
Rev Kate Elizabeth Wharton		2019-10-18
Rev Richard Michael Coates		2019-10-18
Rt Revd Dr Emma Gwynneth Ineson		2026-03-04

ST MELLITUS COLLEGE TRUST

England & Wales - Charity number 1094157

Accounts



ST
MELLITUS
COLLEGE

St Mellitus College Trust

Annual Report
& Financial Statements

Year Ended 31 July 2025

Charity number: 1094157

Company number: 4546328

St Mellitus College Trust

(A company limited by guarantee)

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St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2025

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2025 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2.

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England;
- providing other theological and ministerial training and Christian education; and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre (SPTC) which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part-time ordination training course (“the Course”), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered in Plymouth and Nottingham and also an entry level course under the title of 'Beginning Theology'.

In seeking to measure success the charity primarily looks to the recruitment levels for its programme which are mostly driven by word of mouth recommendations from existing students and church leaders. Although student numbers in the year under review have shown a slight 4% decline compared to the previous year, this is mainly due to the reduced number of ordinands being sent by the Church of England for training and a reduction in those engaging in non-accredited and introductory courses. We do not consider this to be a decline in the attractiveness of our programmes as can be evidenced by the outcomes of the National Student Survey (see Achievements and Performance section below).

We also have extensive student feedback processes and since the academic year 2016/17 have been participating in the National Student Survey. We were subject to regular scrutiny by the Quality Assurance Agency for Higher Education and now by the Office for Students who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning The Advancement of Religion for the Public Benefit published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity's work.

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Truro, Exeter, Southwell & Nottingham, Leicester, Derby and also further afield by and in -

- the provision of public rituals and ceremonies;
- the cure of souls and the moral and spiritual improvement of the public;
- the provision of comfort to the bereaved; and
- contributing towards a better society, by promoting social cohesion and social capital.

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The trustees wish to note their thanks to all such volunteers.

ACHIEVEMENTS AND PERFORMANCE

The following matters of achievement and performance are noted as follows -

In all this year, including SPTC students, the College had 184 ordinands (2023/24: 198) in training and delivered accredited courses to 136 other students (2023/24: 95).

The Course is run on a part-time basis usually over two or three years for Anglican candidates, to study towards graduation and ordination. In addition there are a number of Licenced Lay Ministry (LLM) candidates and independent students following this pathway. The students are normally required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting both ordinands and independent students.

The College has continued to promote the Peter Stream which is a discernment pathway towards Church of England ordination for leaders who have faced exclusion for reasons of ethnicity, social background or education. The scheme is a one-year programme that runs in conjunction with the Church of England's discernment process and runs in both our London and East Midlands centres. The College provides training, study and pastoral support.

The College continued to deliver the Caleb Stream - a one-year discernment pathway towards Church of England ordination for mature lay Christians with leadership experience. With often one priest assigned to serve multiple parishes, particularly in rural areas, this stream aims to train and mobilise a generation to serve in parishes across the UK. This pathway is offered in our London and East Midlands centres with a total of 31 (2023/24: 36) students trained during the year.

Our delivery centre in Plymouth which covers the region of the dioceses of Exeter and Truro, with additional students coming from the diocese of Bath and Wells, had a total of 30 students (2023/24: 26) in the year under review. Recruitment for this centre continues to be challenging, with more ordinands being on two-year pathways, although we have seen some positive results from offering the option to audit Level 6 teaching on a modular basis as well as from launching the MA in Theology, Ministry and Mission in the South West centre from September 2024, offered in a hybrid format. This offering will be reviewed on an ongoing basis.

Our East Midlands delivery centre based in Nottingham trained a total of 56 students (2023/24: 60) during the year.

The part-time programme at the Chelmsford Teaching centre only had a potential of two or three ordinands starting in September 2024. It was therefore decided to suspend delivery of Level 4 teaching for one year to review provision in the centre to ensure viable and sustainable student cohorts with consideration to student experience and pedagogy, staff flourishing and financial sustainability.

Following the completion of the July 2025 exam board, 82 students graduated with undergraduate and postgraduate awards validated by our partner university. 78 students graduated with undergraduate awards, of which 29 were BA awards, the majority of which achieved 2.1 degree class. In addition, 4 students graduated with postgraduate awards. At the October 2025 exam board we are anticipating that 13 students will graduate with undergraduate awards and 27 students with postgraduate awards.

The Beginning Theology offering, which is an introductory course enabling access to theology, was relaunched with a new provision in 2023/24, offering in-person teaching on Thursday evenings at the London Centre, and online teaching on Tuesday evenings. Each delivers three modules per year which can be taken as stand alone modules or students may sign up for a full year, with in-person and online offering different but complementary modules to increase the resource available. The programme had 174 attendees for Term 1 modules in Autumn 2024 (94 online, 80 in person) which, while a significant decrease from the record number of 349 in 2023/24, is attributable to a particular relaunch promotion in 2023/24 and is still a strong attendance rate. 85% of attendees have not previously studied at St Mellitus College which is encouraging for a broadening reach and potential conversion to other programmes and accredited study. The attendees of the online Beginning Theology Programme has included 36 students as part of a discernment programme offered by Pentecostal Churches.

All of our academic programmes are validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. From September 2023 this has included a Youth Ministry pathway, previously offered as a programme validated under Middlesex University. In September 2024 an additional pathway with a focus on Children's Ministry was launched. On 9th September 2020 we signed an agreement with Durham University which gives us the ability to offer a PhD programme. Under this arrangement, the students are Durham University students but the College shares in the supervision arrangements. The first student on this programme enrolled in September 2023.

During 2023/24 we were successful in securing a funding bid from the Church of England's 30k project to support the delivery of Youth Ministry training, and the introduction of a new Children's Ministry offering. The 30k project also funded full diploma programme fees for up to 30 students studying on these pathways for September 2024 entry and we were able to fill all of these places.

Since March 2019 the college has been regulated by the Office for Students (OfS). The college is a Registered Provider of Higher Education in the Approved (Fee Cap) category. The Office for Students holds oversight for assuring the quality of the College's academic standards and provision.

The College continued to engage with the National Student Survey during 2025, with student response rates being again well above the national average (84% in contrast with 71% across England). The College scored above the national average in all but one areas of the survey (between 5-17% and in 2023/24 this was only 3%-14% above in all areas). The area in which the College scored less than the sector (and less internally than in 2023/24) was around Learning Resources.

The areas where internal 2024 scoring decreased slightly from the College's internal 2023 results (between 0.9%-6%) related to sub-sets of the student survey which staff at the College are aware of and continue to address, namely in the areas of assessment feedback, student representation, and learning resources (Moodle, libraries, etc). In addition our accredited students take part in the Common Awards Student Survey and the results of that are similar to those of the NSS.

Other positive indicators outside of the NSS are that our drop out rates are somewhat countered by current students upgrading to a higher award (e.g., Certificate to Diploma), about 20 students dropped out but approximately half that number continued on to a higher award in 2025/26. It is difficult to get statistics on drop out rates across the sector but there is no strong indication that our drop out rates and reasons are significantly out of kilter or higher than what is happening in the HE sector in England.

In 2023/24, the College underwent its Periodic External Review (PER) by the Ministry Development Team of the Church of England, in conjunction with the Common Awards team, which each TEI undertakes every 4-5 years. In the resultant report published in March 2024, the college received an overall result of "Confidence" for its training of ordinands (the highest possible result) and a separate overall result of "Confidence with Qualifications" for its training of LLMs (the middle result). This is a really positive result and indicates an improvement from the college's previous PER in 2017 which reported an overall result of "Confidence with Qualifications". The College generated an action plan from the recommendations raised by the PER review and submitted a progress report in April 2025 was considered a positive report and concluded the PER process satisfactorily.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. In the autumn of 2023 the Archbishops' Council entered into Service Level Agreements (SLAs) with all Theological Education Institutions (TEIs) in the sector, including ourselves. This SLA, in addition to outlining expectations for training on both sides, seeks to provide some stability for the sector by agreeing to fee supplement payments to maintain income at or above the levels before the decline occurred. In 2024/25 the supplement fee received amounted to £882,446.

In Autumn 2024 we began a four year project to mark the importance of the Nicaea Creed for the 21st Century, funded through the generosity of the McDonald Agape Fund. In 2024/25 this included the delivery of five public lectures from world-leading academics exploring the meaning of Nicaea for the church and the academy. 2025 was a significant anniversary year, celebrating 1700 years since the Council, which was marked by a two day Creedal Spirit Conference 30 April-1 May 2025 which included 5 keynote speakers for plenary sessions and multiple seminar streams with papers presented from a variety of perspectives including a number given by SMC staff members. In July 2025 Giver of Life was published as part of the project, a new book from Dr Jane Williams, McDonald Professor in Christian Theology, offering a profound and accessible exploration of the Holy Spirit, framed through the lens of the Nicene Creed. The project will run until Summer 2027.

We are also grateful to the Archbishops' Council's Racial Justice Unit, who in November 2024 agreed to fund the college's proposed Project Metanoia, which will be running from December 2024 through August 2027. The funding will enable the college to continue prioritising racial justice at the heart of who we are and to be proactive in fostering change by targeting four areas - diversified training, key resourcing, intercultural placements and targeted recruitment.

FINANCIAL REVIEW

The movement on Unrestricted Funds results in a surplus of £43,858 (2024: £87,756, excluding the Contingency Fund release). Therefore, total Unrestricted Funds stood at £814,811 (2024: £770,953) at the year end.

The Designated Fund for the operation of St Mellitus, South West showed a deficit for the year of £39,671 (2024: £49,800), which means that the cumulative deficit on this fund at the year end is £144,118 (2024: £104,447).

The Designated Fund for the operation of St Mellitus, East Midlands showed a surplus of £138,213 (2024: £23,565) which means that the cumulative surplus on this fund at the year end is £256,040 (2024: £117,827).

Details of movements on the other Designated and Restricted funds are shown in Note 14.

Pricing Policy

Fees for Church of England ordinands are fixed for all approved TEIs by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses and also the Fee Cap imposed by the Office for Students.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £3,533,416 (2024: £3,229,683), of which £2,687,941 (76%) (2024: £2,306,895 - 71%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands.

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds. In addition interest is earned on a Business Reserve Account with NatWest Bank.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £480,000 which compares with the current level of available unrestricted reserves of £800,415 (2024: £749,560). The Trustees are therefore content with the current level of reserves.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of theological training and formation for the church, ordained and lay, and to develop opportunities for the variety of such training. In addition to continuing the existing programmes, the following developments are worthy of note -

Nationally the total number of ordinands in training has decreased by 32% over the last five years and the College has seen a corresponding decline in the number of ordinands being sent to us for training in line with that. In the autumn of 2023 the Archbishops' Council entered into Service Level Agreements (SLAs) with all TEIs in the sector, including ourselves. This SLA, in addition to outlining expectations for training on both sides, seeks to provide some stability for the sector by agreeing to fee supplement payments to maintain income at or above the levels before the decline occurred. This supplement is estimated to be in excess of £800,000 for the 2025/26 academic year.

In 2024 the Church of England engaged in an independent review of the resourcing of theological education and ordination training across the TEI sector through BDO. In March 2025 TEI Principals and Bursars / Heads of Finance were presented with the revised approach to funding ordinands' ministerial formation training (based on the financial review conducted by BDO in 2024). Whilst Residential colleges received an 'affordability adjustment' to their fees, backdated to the start of the 2024/25 academic year, there was no change in the fee grant per ordinand paid to non-residential colleges. The revision of the base numbers of ordinands within the SLA's supplement calculation will be delayed by one year, to the start of the 2027/28 academic year, at which time we anticipate our fee supplement will be substantially reduced.

Having been successful in securing a funding bid from the Church of England's 30k project to support the delivery of Youth Ministry training, and the introduction of a new Children's Ministry offering from September 2024, and funding for full diploma programme fees for up to 30 students studying on these pathways for September 2024 entry, we have sought to secure further funding to repeat and build on this success. Whilst we have not received repeat funding to support the wider programme delivery, the 30k project have committed to providing bursary funding for full diploma fees for an additional 30 students on Youth or Children's Ministry focused programmes for September 2025 entry, however it is unlikely that repeat funding will be made available beyond that cohort.

Following the suspension of the temporary delivery of level 4 teaching in 2024/25 due to low prospective student numbers, consultative strategic conversations took place between the College and the Diocese of Chelmsford, exploring various options at a time when numbers of vocations are fluctuating and costs are increasing. After carefully exploring all options and balancing the need to maintain excellent learning experience, a flourishing student cohort and financial and operational viability, they concluded that it is not possible to sustain St Mellitus College Chelmsford as a standalone centre. In December 2024 it was announced that the Chelmsford Teaching Centre of St Mellitus College will close in the summer of 2026 after a teach out process is concluded for current students at the centre, when the final ordinands in the centre will have completed their training.

The four-year McDonald Agape Nicaea Project launched in Autumn 2024 is ongoing, with the final of a programme of free public lectures taking place in October 2025. The ongoing work of the project includes a colloquium which will focus on Global Theology and the future of theological education in light of the work done as part of the project, as well as the publication of one or two books from the public lectures and keynote addresses from the conference and colloquium.

Project Metanoia, funded by the Archbishops' Council's Racial Justice Unit runs through to August 2027, enabling the college to continue prioritising racial justice at the heart of who we are and to be proactive in fostering change by targeting four areas - diversified training, key resourcing, intercultural placements and targeted recruitment.

In January 2024 Revd Russell Winfield announced that he will be moving on from his role as Dean of St Mellitus College. The board has appointed Dr Sara Schumacher as Interim Dean, effective 1 October 2025, while the recruitment process for a new Principal to succeed Russell Winfield continues.

For the September 2025 intake, the Church of England have approved a new nationally funded discernment and training pathway for older candidates going forward for ordination training. This effectively mimics what the college has been delivering as the Caleb Stream over the past few years, although over a two-year programme rather than within one year as it has been thus far. The College have sought approval to deliver the Elizabeth pathway and will be offering this going forward in place of the Caleb Stream provision from September 2025.

In October 2025 it was announced that Bishop Sarah Mullally, currently Bishop of London and member of the SMC board of trustees, has been appointed as the next Archbishop of Canterbury. The position of member and trustee of the board is given to the Bishop of London ex-officio and so Bishop Sarah will cease holding that role from January 2026 when she moves on to her new post. Bishop Emma Ineson will be acting Bishop of London during the interregnum and will be taking on the responsibilities of member and trustee until a new Bishop of London is appointed and in post.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: St Mellitus College Trust

Charity registration number: 1094157

Company registration number: 4546328

Principal Address and
Registered Office: 24 Collingham Road
London SW5 0LX

Website: www.stmellitus.ac.uk

Advisers

Auditors: Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP

Solicitors: Winkworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Bankers: Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ

NatWest Bank plc, 55 Kensington High Street, London W8 5ZG

CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law.

The trustees and officers serving during the year and since the year end were as follows, together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) [also Member]

The Right Reverend Doctor G Francis-Dehqani (Bishop of Chelmsford) [also Member] - *until 5th June 2025*

The Reverend R Coates (Representative of St Paul's Theological Centre - also Member)

The Venerable C Burke Bishop of Chelmsford - *until 5th June 2025*

Mrs C Butcher St Paul's Theological Centre

The Reverend Canon A Eleyae Bishop of London

The Reverend Dr B Sargent General Synod

The Right Reverend Dr G Tomlin (President)

The Reverend Dr S Prentis Joint

Mr A Winther Joint

The Reverend K Wharton Joint

Key Management Personnel

The trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Russell Winfield), the Academic Dean (Doctor Sara Schumacher) and the Chief Operating Officer (Mrs Tilly Bacon).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on 26th September 2002 and registered as a charity on 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 23rd June 2019 further new Memorandum and Articles of Association were adopted incorporating new procedures for nominating and appointing trustees for the charity.

Appointment of Trustees

The directors of the charitable company (“the charity”) are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on 23rd June 2025 the trustees consist of at least three but not more than twelve individuals nominated to serve as follows: The Bishop of London, a trustee representative of St Paul's Theological Centre (together constituting the Members), one trustee nominated by each of the Members, one trustee nominated by the General Synod of the Church of England, no more than six further trustees appointed jointly and unanimously by the Members and the President for the time being of the College.

Trustee Induction and Training

The Members and senior team liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the trustees according to defined procedures.

Pay and Remuneration of Senior Staff

All current senior staff are remunerated by St Paul's Theological Centre. The Dean, who is ordained, is remunerated as an Archdeacon in the Diocese of London. All other executive staff are non-ordained; their remuneration is based on experience, responsibility and benchmarking against similar roles within SPTC's group and externally.

Related Parties

All the trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 8 to the financial statements.

Risks and Uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the trustees on 16th December 2025 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

St Mellitus College Trust

Statement of Corporate Governance and Internal Control for the year ended 31 July 2025

The College's framework of governance is established in its Memorandum and Articles of Association. The College is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee) and the Higher Education Code of Governance issued by the Committee of College Chairs.

In adopting this Code of Governance, the College is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The College maintains a register of interest of members of the board of trustees which is available for inspection.

Charitable Status

The College is a Registered Charity (No 1094157) and a Company Limited by Guarantee (No 4546328) and is regulated by the Office for Students (OfS). The College received notification of its successful application for registration with the OfS in March 2019. For the purposes of Company Law, the trustees are the Company's directors. The charitable purposes of the College as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England;
- providing other theological and ministerial training and Christian education; and
- engaging with others in such theological and ministerial training and Christian education.

The Board of Trustees

The board of trustees oversees the activities of the College and determines its strategic direction. The specific powers of the board are set out in the Memorandum and Articles.

The board has a duty to enable the College to develop its vision and strategy and to achieve success in achieving its objectives. In doing this, it always seeks to safeguard and protect the reputation of the College.

The board has a formal function to hold the Dean to account for the effective management of the College. The board is a steering body and fundamentally serves to add value to the College's affairs, by offering independent, expert input to and constructive challenge of the decisions of the College management.

The board has formal decision-making responsibility in a number of key areas, including the approval of the College's strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the College are the appointment and performance management of the Dean and other senior post holders, adoption of its annual financial statements, budgets, financial forecasts and the appointment of the College's external auditors.

The board is responsible for approving annual returns to the Office for Students as required.

The board of trustees comprises members from outside the College as laid out in the Articles of Association which also defines the charring arrangements.

Conduct of Business

The board has a minimum of three meetings per year. The formal board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key College events. This helps to ensure that trustees are part of the wider community of the College and that they are fully briefed on the activities of and challenges and opportunities facing the College.

There is a clear division of responsibility in that the role of chair of the board of trustees is separated from the role of the College's Dean.

The board has a number of standing committees to help it discharge its business effectively:

Audit and Risk Committee

The Audit and Risk Committee meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Committee reports to the board on the adequacy and effectiveness of the College's arrangements for:

- risk management, control and governance;
- financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of trustees' responsibilities as reported in the annual financial statements);
- economy, efficiency and effectiveness (value for money); and
- data quality.

It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to the regulatory requirements.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the board of trustees on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Dean and Assistant Deans. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Dean and senior staff pay is transparent and practices are consistent with best practice. Details of remuneration for the year ended 31 July 2025 are set out in note 7 of the financial statements.

Nominations Committee

The Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Committee

The Academic Committee offers strategic academic oversight through liaising with the senior staff that have responsibility for leadership of the academic life of the College. It seeks to maintain the high academic standards that St Mellitus College has set, as well as review and contribute to the strategic development and direction of the College in relation to academic matters and regulation.

Internal Control

The College's board of trustees is responsible for ensuring that the College maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The board of trustees has delegated the day to day responsibility to the Dean, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the College's internal control and risk management:

- The board of trustees meets a minimum of three times a year to consider the plans and strategic direction of the College. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. The board of trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.
- The management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the College's operations.
- An organisation-wide risk register is maintained and is available on the College's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks.
- Management accounts are presented regularly to the board of trustees and are regularly monitored by the Audit and Risk Committee. The annual budget and financial forecasts are also presented to the board of trustees.

The board of trustees is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

These processes enable the College to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the College.

Going Concern

After reviewing detailed papers, the board of trustees considered, at its meeting on 16th December 2025, that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of the Responsibilities of the Board of Trustees

In accordance with the College's Memorandum and Articles of Association, the board of trustees is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The board of trustees is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles, with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the board of trustees has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The board of trustees is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The board of trustees has taken reasonable steps to:

- safeguard the assets of the College, prevent and detect fraud, and ensure that risk management is in place;
- ensure that the board of trustees' report and other information included in the financial statements are prepared in accordance with relevant legislation in the UK;
- secure the economical, efficient and effective management of the College's resources and expenditure; and
- ensure that the College operates an effective health and safety policy.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, senior officers of the College;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the board of trustees.

Approved by the trustees on 16th December 2025 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the charitable company") for the year ended 31 July 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislations;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 in 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual 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 our 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the 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 relating 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, 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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Adam Fullerton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 17 December 2025

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2025

-- Unrestricted Funds --						
		General Fund	Designated Funds (Note 14)	Restricted Funds (Note 14)	Total Funds 2025	Total Funds 2024 (Note 16)
	Note	£	£	£	£	£
INCOME	3					
Donations & grants		18,940	0	723,731	742,671	303,937
Charitable activity income		2,937,417	831,616	0	3,769,033	3,490,400
Investment income		21,508	0	0	21,508	22,847
TOTAL INCOME		2,977,865	831,616	723,731	4,533,212	3,817,184
EXPENDITURE	5					
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,724,380	731,243	723,310	4,178,933	3,532,975
Grants made		310,000	0	1,853	311,853	417,038
TOTAL EXPENDITURE		3,034,380	731,243	725,163	4,490,786	3,950,013
NET OPERATING INCOME / EXPENDITURE		-56,515	100,373	-1,432	42,426	-132,829
Transfers between funds		0	0	0	0	0
NET INCOME / EXPENDITURE and net movement in funds for year	2	-56,515	100,373	-1,432	42,426	-132,829
RECONCILIATION OF FUNDS						
Total funds brought forward	14	728,503	42,450	7,058	778,011	910,840
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2025	14	671,988	142,823	5,626	820,437	778,011

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

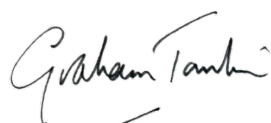
St Mellitus College Trust

Balance Sheet as at 31 July 2025

		2025	2024
	£	£	£
	Note		
FIXED ASSETS			
Intangible assets	10	0	0
Tangible assets	9	14,396	21,393
CURRENT ASSETS			
Debtors	11	270,946	177,184
Cash at bank and in hand		1,101,518	1,227,903
		<u>1,372,464</u>	<u>1,405,087</u>
CREDITORS: amounts falling due within one year	12	<u>-566,423</u>	<u>-648,469</u>
NET CURRENT ASSETS		806,041	756,618
TOTAL NET ASSETS		<u>820,437</u>	<u>778,011</u>
UNRESTRICTED FUNDS	13	814,811	770,953
RESTRICTED FUNDS	13	5,626	7,058
TOTAL FUNDS		<u>820,437</u>	<u>778,011</u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the trustees on 16th December 2025 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin
Company No: 4546328



Interim Dean (Interim Accountable Officer):
Dr S Schumacher

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2025

	2025 £	2024 £		
Net Cash Outflow / Inflow From Operating Activities (Note A)	-142,427	343,871		
Investing Activities				
Payments to acquire tangible fixed assets	-5,466	-12,530		
Interest received	21,508	22,847		
Decrease / Increase in Cash (Note B)	<u>-126,385</u>	<u>354,188</u>		
A) Reconciliation of Operating Surplus / Deficit to Net Cash Outflow / Inflow from Operating Activities	2025 £	2024 £		
Operating surplus / deficit	42,426	-132,829		
Interest received	-21,508	-22,847		
Depreciation charges	12,463	13,031		
Amortisation charges	0	8,510		
Increase in debtors	-93,762	-38,072		
Decrease / increase in creditors	-82,046	516,078		
Net cash outflow / inflow from operating activities	<u>-142,427</u>	<u>343,871</u>		
B) Reconciliation of Net Cash Flow to Movements in Net Cash	2025 £	2024 £		
Decrease / increase in cash in the year representing change in net cash	-126,385	354,188		
Net cash at 1 August	1,227,903	873,715		
At 31 July	<u>1,101,518</u>	<u>1,227,903</u>		
C) Analysis of Changes in Net Funds				
	1 August 2024 £	Non-cash Changes £	Cash Flows £	31 July 2025 £
Cash at bank and in hand	1,227,903	-	-126,385	1,101,518
Total Net Funds	<u>1,227,903</u>	<u>-</u>	<u>-126,385</u>	<u>1,101,518</u>

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2025

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Incorporation

The charity is incorporated in England and Wales. It is a Company Limited by Guarantee with the liability of members in the event of liquidation being £1 each.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)) including Update Bulletin 2, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(c) Preparation of the accounts on a going concern basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to its funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Intangible assets

Website development costs are capitalised at cost and amortised over expected useful life (3 years).

(h) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(j) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instruments of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 11 and 12 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

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

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year. The 2021 valuation showed the Scheme to be fully funded and as such, deficit contributions are no longer required.

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

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

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

As detailed above, the scheme is currently in surplus. No deficit recovery contributions are payable and no Recovery Plan is required. Due to this, the charity no longer recognises a liability in the financial statements.

The legal structure of the scheme is such that if another Responsible Body fails, St Mellitus College Trust could become responsible for paying a share of that failed Responsible Body's pension liabilities.

(l) Judgments and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. NET INCOME / EXPENDITURE FOR THE YEAR

	2025	2024
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year estimate	11,446	10,555
- prior year under accrued	211	2,525
- Operating lease payments made in year	0	4,364

3. INCOME

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2025
	£	£	£	£
Income from donors				
Donations & grants	17,980	0	688,725	706,705
Office for Students grants	0	0	35,006	35,006
Gift Aid recovered	960	0	0	960
	<u>18,940</u>	<u>0</u>	<u>723,731</u>	<u>742,671</u>
Income from charitable activities				
Course fees (see Note 4)	2,757,154	776,262	0	3,533,416
Diocesan share of staff costs	28,165	0	0	28,165
Diocesan contributions	8,000	0	0	8,000
Other income	144,098	55,354	0	199,452
	<u>2,937,417</u>	<u>831,616</u>	<u>0</u>	<u>3,769,033</u>
Investment income				
Bank interest	21,508	0	0	21,508
TOTAL INCOME	<u>2,977,865</u>	<u>831,616</u>	<u>723,731</u>	<u>4,533,212</u>

The comparative figures for the year ended 31st July 2024 were -

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2024
	£	£	£	£
<i>Income from donors</i>				
Donations & grants	21,514	0	228,603	250,117
Office for Students grants	0	0	52,223	52,223
Gift Aid recovered	1,597	0	0	1,597
	<u>23,111</u>	<u>0</u>	<u>280,826</u>	<u>303,937</u>
<i>Income from charitable activities</i>				
Course fees (see Note 4)	2,470,965	758,718	0	3,229,683
Diocesan share of staff costs	32,004	0	0	32,004
Diocesan contributions	12,000	0	0	12,000
Other income	164,969	51,744	0	216,713
	<u>2,679,938</u>	<u>810,462</u>	<u>0</u>	<u>3,490,400</u>
<i>Investment income</i>				
Bank interest	22,847	0	0	22,847
TOTAL INCOME	<u>2,725,896</u>	<u>810,462</u>	<u>280,826</u>	<u>3,817,184</u>

4. FEES & GRANTS ANALYSIS

	Total	Total
	2025	2024
	£	£
Office for Students grant income	35,006	52,223
Ordinand fee income - taught HE awards	1,490,972	1,576,664
Ordinand fee income - non-accredited students	74,523	65,271
Ordinand fee income - fee supplement	882,446	664,960
Other fee income - taught HE awards	673,790	395,330
Other fee income - non-accredited & FE students	411,685	527,458
TOTAL FEE INCOME	<u>3,568,422</u>	<u>3,281,906</u>

5. EXPENDITURE

	Basis of Allocation	Total 2025 £	Total 2024 £
Costs of College Operations -			
Staff costs (see Note 7)	Staff Time	948,551	960,592
Academic travel and training	Direct	70,650	76,490
Fieldwork and placements	Direct	0	62
Visiting speakers' fees & expenses	Direct	68,243	13,693
Library books and supplies	Direct	16,035	11,675
Printing, stationery and photocopying	Direct	715	1,748
Postage and telephone	Direct	2,983	2,922
Travel, training and staff meals	Direct	65,233	45,200
Recruitment and relocation costs	Direct	0	0
Premises costs and rentals	Direct	97,290	100,769
Chapel	Direct	21	172
University fees	Direct	9,950	10,766
Residential costs	Direct	170,667	135,159
Other catering costs	Direct	59,473	55,831
Equipment	Direct	1,356	3,011
Depreciation	Direct	12,463	13,031
Amortisation	Direct	0	8,510
Maintenance	Direct	26	16
Professional charges	Direct	19,265	20,672
Bank charges and interest	Direct	3,128	2,757
Other administrative costs	Direct	54,859	70,276
Fee from SPTC for Educational Services	Direct	2,578,025	1,999,623
Total cost of college operations		<u>4,178,933</u>	<u>3,532,975</u>
Grants made		311,853	417,038
TOTAL EXPENDITURE		<u>4,490,786</u>	<u>3,950,013</u>

6. TAXATION

The charitable company is exempt from corporation tax on its income and gains to the extent that they are derived from charitable activities.

7. STAFF COSTS AND NUMBERS

	General Fund	Designated Funds	Restricted Funds	2025 Total
	£	£	£	£
Salaries and wages - academic staff	186,403	276,767	0	463,170
Salaries and wages - administrative	163,672	53,770	0	217,442
Social security costs	36,334	36,528	0	72,862
Pension costs	25,682	36,429	0	62,111
Housing costs (incl. allowances)	36,761	45,680	0	82,441
Other grants and allowances	3,125	7,348	0	10,473
Healthcare costs	880	880	0	1,760
Temporary staff	1,184	0	0	1,184
Salary contributions	-207,970	-7,129	252,207	37,108
	246,071	450,273	252,207	948,551

The comparative figures for the year ended 31st July 2024 were -

	General Fund	Designated Funds	Restricted Funds	2024 Total
	£	£	£	£
Salaries and wages - academic staff	106,472	297,765	0	404,237
Salaries and wages - administrative	151,496	50,483	0	201,979
Social security costs	25,949	41,520	0	67,469
Pension costs	19,495	44,534	0	64,029
Housing costs (including allowances)	25,889	53,851	0	79,740
Other grants and allowances	2,205	8,492	0	10,697
Healthcare costs	585	721	0	1,306
Temporary staff	774	0	0	774
Salary contributions	-89,139	32,142	187,358	130,361
	243,726	529,508	187,358	960,592

No employee received emoluments (excluding pension) of more than £60,000.

Key management personnel who are ordained, are remunerated in accordance with London diocesan pay scales. Some of these costs are shared with St Paul's Theological Centre. See also note regarding the Head of Provider's pay below.

The average monthly head count was 26.1 staff (2024: 23.2) and the average monthly number of full time equivalent employees during the year was:

	2025	2024
	No	No
Assistant Dean /Course Directors	4.0	2.0
Tutors	8.3	9.1
Administration and support	6.4	6.9
	18.7	18.0

No trustee received any remuneration in their capacity as a trustee from the charity (2024: NIL)

Two trustees incurred travel expenses for a total of £607 in the year (2024: 3 trustees, £393).

Key Management Personnel

The key management personnel of the Charity constitute The Dean, the Academic Dean and the Chief Operating Officer, all three of whom are employed by St Paul's Theological Centre (SPTC).

We are advised by SPTC that the total employee remuneration of the three members of management employed by SPTC (including pensions and employer's NI contributions) was £235,673 (2024: £223,932).

Head of Provider's Remuneration

We are required to declare the remuneration of the Head of Provider (the college Dean). The Dean is not employed by the charity but is an employee of St Paul's Theological Centre. The following information has been provided to us by St Paul's Theological Centre -

The Dean is remunerated at the standard rate for an Archdeacon in the Diocese of London.

	£
Annual salary	42,210
Employer's pension contributions (standard rate for all CofE clergy)	<u>6,568</u>
Total remuneration	<u>48,778</u>

In common with all stipendiary clergy of the Church of England, the Dean is also provided with housing.

The salary (excluding pension contributions) represents a multiple of 1.2 (2024: 1.2) of the average salary for the charity as a whole.

8. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report, all trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

The Archbishops' Council - funding received of £3,298,586 (2024: £2,584,420)

The Archbishops' Council - outstanding net debtor £173,627 (2024: £49,623)

The Archbishops' Council - recharge of expenses incurred on their behalf

London Diocesan Fund - funding received of £22,828 (2024: £20,991)

London Diocesan Fund – outstanding debtor £NIL (2024: £NIL)

Chelmsford Diocesan Board of Finance - funding received of £30,737 (2024: £46,213)

Chelmsford Diocesan Board of Finance – outstanding debtor £NIL (2024: £NIL)

St Paul's Theological Centre - recharge of expenses incurred on their behalf

St Paul's Theological Centre – donation towards costs at St Jude's - £35,118 (2024: £33,446)

St Paul's Theological Centre – fee for educational services £2,578,025 (2024: £1,999,623)

St Paul's Theological Centre – year end creditor £461,755 (2024: £488,100)

St Paul's Theological Centre – a donation of £310,000 out of this year's surplus (2024: £217,038 Contingency Fund release & £200,000 donation)

Holy Trinity Brompton - Beginning Theology fees and grant received £23,980 (2024: £85,819)

Revitalise Trust - student fees received of £300,437 (2024: £353,110)

There were no other Related Party Transactions that require disclosure during the period.

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Office Furniture £	Computer Equipment £	Total £
Cost				
At 1st August 2024	25,900	22,920	27,410	76,230
Additions	0	590	4,876	5,466
Disposals	0	0	-3,689	-3,689
At 31 st July 2025	<u>25,900</u>	<u>23,510</u>	<u>28,597</u>	<u>78,007</u>
Accumulated Depreciation				
At 1st August 2024	16,251	19,640	18,946	54,837
Charge for the year	5,830	1,756	4,877	12,463
Disposals	0		-3,689	-3,689
At 31 st July 2025	<u>22,081</u>	<u>21,396</u>	<u>20,134</u>	<u>63,611</u>
Net Book Value				
At 31 st July 2025	3,819	2,114	8,463	14,396
At 31 st July 2024	9,649	3,280	8,464	21,393

10. INTANGIBLE FIXED ASSETS

	Website Development £
Cost	
At 1 st August 2024	25,530
Additions	0
At 31 st July 2025	<u>25,530</u>
Accumulated Amortisation	
At 1 st August 2024	25,530
Charge for the year	0
At 31 st July 2025	<u>25,530</u>
Net Book Value	
At 31 st July 2025	0
At 31 st July 2024	0

11. DEBTORS

	2025 £	2024 £
Other debtors and prepayments	270,946	177,184
	<u>270,946</u>	<u>177,184</u>

12. CREDITORS: Amounts falling due within one year

	2025 £	2024 £
Sundry creditors and accruals	564,256	594,326
Deferred income	2,167	54,143
	<u>566,423</u>	<u>648,469</u>

Included in the above are amounts of £5,870 relating to pensions (2024: £7,610).

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	2025 Total
	£	£	£
Fixed assets	14,396	0	14,396
Current assets	1,366,838	5,626	1,372,464
Current liabilities	-566,423	0	-566,423
Net assets at 31 st July 2025	814,811	5,626	820,437

The comparative figures as at 31st July 2024 were -

<i>Fixed assets</i>	<i>21,393</i>	<i>0</i>	<i>21,393</i>
<i>Current assets</i>	<i>1,398,029</i>	<i>7,058</i>	<i>1,405,087</i>
<i>Current liabilities</i>	<i>-648,469</i>	<i>0</i>	<i>-648,469</i>
<i>Net assets at 31st July 2024</i>	<i>770,953</i>	<i>7,058</i>	<i>778,011</i>

14. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC South West Fund** records the operations of the delivery centre in Plymouth. During the year under review, the centre had an operating deficit of £39,671 (2024: £49,800), which, together with the brought forward deficit of £104,447, resulted in a cumulative deficit of £144,118.

The **SMC East Midlands Fund** records the operations of the delivery centre in Nottingham. During the year under review, the centre had an operating surplus of £138,213 (2024: £23,565) which, together with the brought forward surplus of £117,827, gives a closing surplus balance of £256,040.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the posts of the McDonald Professor of Christian Theology and the Distinguished Emeritus Professor.

The **McDonald Nicaea Fund** is in respect of a donation received from the McDonald Agape Foundation to fund a series of research activities, academic conferences, colloquia, public lectures, and publishable materials examining the proceedings of the Council of Nicaea (325 AD) and its relevance to Christian orthodoxy in today's world.

The **McDonald Fellowship** is in respect of a donation received from the McDonald Agape Foundation in support of the academic, scholarly and religious purposes of the college; it is specifically enabling the completion of the manuscript on Christian ethics and contemporary psychology's assumptions about the concepts of morality.

The **Innovation Funding** is a grant from Archbishops' Council in support of pioneering the Peter Stream into a new regional hub based at SMC East Midlands through working with local Dioceses.

The **Innovation Funding FPTE (Formation for Potential Theological Educators)** is a grant from Archbishops' Council in support of research, development and creation of a potential new pathway aimed at theological educators.

The **Project Metanoia** is a grant from Archbishops' Council's Racial Justice Fund to enable St Mellitus to invest in being a centre of excellence, serving the wider church in the field of racial justice, providing catalyst for change across the church.

The **Future Generations Funding** is a grant from Archbishops' Council's 30k Project Board in support of St Mellitus developing a new 2-year DipHE qualification in youth ministry. The aim of this qualification is to support the Church of England in their goal of recruiting, training and supporting 30,000 new volunteers and paid workers to engage with children, young people and their families.

The **Seedcorn Funding** is a grant award from Durham University's Common Awards Research Network to undertake a research project entitled 'Pedagogical Strategies in Gospel Communication: A Study of How Christian Youth Workers Share the Gospel with Young People'.

The **Queen's Foundation Funding** is a grant award from The Queen's Foundation for Ecumenical Theological Education to enable St Mellitus' participation on the Neurodiversity and Formation Research Project.

The **Office for Students' Capital Grant** is a grant for investment in physical infrastructure, to help the college remain fit for purpose. This grant was spent on capital additions during the year.

The **Office for Students' Disability Grant** is a grant to support successful outcomes for disabled students.

The **Office for Students' Improving Outcomes Grant** is a grant to support undergraduate students who are deemed to be most at risk of withdrawing from their studies because of their qualifications and age profile, and who therefore require additional investment to ensure their retention and success.

The analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	29,070	42,765	40,934	0	30,901
SMC South West	-104,447	226,702	266,373	0	-144,118
SMC East Midlands	117,827	562,149	423,936	0	256,040
	<u>42,450</u>	<u>831,616</u>	<u>731,243</u>	<u>0</u>	<u>142,823</u>

Restricted Funds

Dean's Discretionary	7,058	421	1,853	0	5,626
McDonald Professor	0	95,000	95,000	0	0
McDonald Nicaea	0	144,500	144,500	0	0
McDonald Fellowship	0	15,435	15,435	0	0
Innovation	0	82,883	82,883	0	0
Innovation FPTE	0	44,824	44,824	0	0
Project Metanoia	0	230,000	230,000	0	0
Future Generations	0	55,000	55,000	0	0
Seedcorn	0	2,000	2,000	0	0
Queen's Foundation	0	18,662	18,662	0	0
OfS Hardship Fund	0	4,574	4,574	0	0
OfS Improving Outcomes	0	30,432	30,432	0	0
	<u>7,058</u>	<u>723,731</u>	<u>725,163</u>	<u>0</u>	<u>5,626</u>

The comparative figures for the year ended 31st July 2024 were -

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-13,329	88,202	45,803	0	29,070
SMC South West	-54,646	211,112	260,913	0	-104,447
SMC East Midlands	94,261	511,148	487,582	0	117,827
Contingency	217,038	0	217,038	0	0
	<u>243,324</u>	<u>810,462</u>	<u>1,011,336</u>	<u>0</u>	<u>42,450</u>

Restricted Funds

Dean's Discretionary	10,606	3,392	6,940	0	7,058
McDonald Professor	0	93,000	61,978	-31,022	0
McDonald Nicaea	0	52,500	47,799	-4,701	0
McDonald Fellowship	0	7,065	7,065	0	0
Innovation	0	72,646	72,646	0	0
OfS Capital Grant	0	11,602	0	-11,602	0
OfS Disability Grant	0	4,261	4,261	0	0
OfS Improving Outcomes	0	36,360	36,360	0	0
	<u>10,606</u>	<u>280,826</u>	<u>237,049</u>	<u>-47,325</u>	<u>7,058</u>

15. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2025	2024
	£	£
Within 1 year	0	368
2 - 5 years	0	0
More than 5 years	0	0
	<u>0</u>	<u>368</u>

16. SoFA COMPARATIVE FIGURES

The comparative figures for the Statement of Financial Activities for the year ended 31st July 2024 are as follows-

	-- Unrestricted Funds --			
	General Fund	Designated Funds	Restricted Funds	Total Funds 2024
	£	£	£	£
INCOME				
Donations & grants	23,111	0	280,826	303,937
Charitable activity income	2,679,938	810,462	0	3,490,400
Investment income	22,847	0	0	22,847
TOTAL INCOME	2,725,896	810,462	280,826	3,817,184
EXPENDITURE				
<i>Expenditure on charitable activities:</i>				
Operation of college courses	2,501,628	794,298	237,049	3,532,975
Grants made	200,000	217,038	0	417,038
TOTAL EXPENDITURE	2,701,628	1,011,336	237,049	3,950,013
NET OPERATING INCOME / EXPENDITURE	24,268	-200,874	43,777	-132,829
Transfers between funds	47,325	0	-47,325	0
NET INCOME / EXPENDITURE and net movement in funds	71,593	-200,874	-3,548	-132,829
RECONCILIATION OF FUNDS				
Total funds brought forward	656,910	243,324	10,606	910,840
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2024	728,503	42,450	7,058	778,011

ST MELLITUS COLLEGE TRUST

England & Wales - Charity number 1094157

Accounts



ST
MELLITUS
COLLEGE

St Mellitus College Trust

Annual Report
& Financial Statements

Year Ended 31 July 2024

Charity number: 1094157

Company number: 4546328

St Mellitus College Trust

(A company limited by guarantee)

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St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2024

The trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2024 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2.

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England;
- providing other theological and ministerial training and Christian education; and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre (SPTC) which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part time ordination training course (“the Course”), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered in Plymouth and Nottingham and also an entry level course under the title of 'Beginning Theology'.

In seeking to measure success the charity primarily looks to the recruitment levels for its programme which are mostly driven by word of mouth recommendations from existing students. Although student numbers in the year under review have shown a 21% decline compared to the previous year, this is mainly due to the reduced number of ordinands being sent by the Church of England for training. We do not consider this to be a decline in the attractiveness of our programmes as can be evidenced by the outcomes of the National Student Survey (see Achievements and Performance section below).

We also have extensive student feedback processes and since the academic year 2016/17 have been participating in the National Student Survey. We were subject to regular scrutiny by the Quality Assurance Agency for Higher Education and now by the Office for Students who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning The Advancement of Religion for the Public Benefit published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity's work.

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Truro, Exeter, Southwell & Nottingham, Leicester, Derby and also further afield by and in -

- the provision of public rituals and ceremonies;
- the cure of souls and the moral and spiritual improvement of the public;
- the provision of comfort to the bereaved; and
- contributing towards a better society, by promoting social cohesion and social capital.

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The trustees wish to note their thanks to all such volunteers.

ACHIEVEMENTS AND PERFORMANCE

The following matters of achievement and performance are noted as follows -

In all this year, including SPTC students, the College had 198 ordinands (2022/23: 234) in training and delivered accredited courses to 95 other students.

The Course is run on a part-time basis usually over two or three years for Anglican candidates, to study towards graduation and ordination. In addition there are a number of Licenced Lay Ministry candidates and independent students following this pathway. The students are normally required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting both ordinands and independent students.

The College has continued to promote the Peter Stream which is a discernment pathway towards Church of England ordination for leaders who have faced exclusion for reasons of ethnicity, social background or education. The scheme is a one-year programme that runs in conjunction with the Church of England's discernment process and runs in both our London and East Midlands centres. The College provides training, study and pastoral support.

The College has continued to develop the Caleb Stream - a one year discernment pathway towards Church of England ordination for mature lay Christians with leadership experience. With often one priest assigned to serve multiple parishes, particularly in rural areas, this stream aims to train and mobilise a generation to serve in parishes across the UK. This pathway is offered in our London and East Midlands centres with a total of 36 (2022/23: 27) students trained during the year.

Our delivery centre in Plymouth which covers the region of the dioceses of Exeter and Truro, with additional students coming from the diocese of Bath and Wells, had a total of 26 students (2022/23: 25) in the year under review. Recruitment for this centre continues to be challenging, with more ordinands being on two year pathways, although we have seen some positive results from offering the option to audit Level 6 teaching on a modular basis as well as from launching the MA in Theology, Ministry and Mission in the South West centre from September 2024, offered in a hybrid format, with 7 students enrolled in its first year. This offering will be reviewed on an ongoing basis.

Our East Midlands delivery centre based in Nottingham trained a total of 60 students (2022/23: 63) during the year. Due to a lack of incoming students to create a viable sized teaching cohort, the Leicester arm of our East Midlands provision was closed after the 2022/23 year, with continuing students transferring to our Nottingham teaching centre.

Following the completion of the June 2024 exam board, 64 students graduated with undergraduate awards validated by our partner university, with two being first class awards on the BA. In addition, 4 students graduated with postgraduate awards, with 3 MA dissertations classed with a merit. It is predicted for the November 2024 exam board that around 20 undergraduate students will be recommended an award, and 16 students will be recommended a postgraduate award.

The Beginning Theology offering, which is an introductory course enabling access to theology, has been relaunched with a new provision in 2023/24, bringing together the existing Beginning Theology and School of Theology courses offered by SMC and SPTC respectively to focus on one introductory offering. The new provision offers in-person teaching on Thursday evenings at the London Centre, and online teaching on Tuesday evenings. Each delivers three modules per year which can be taken as stand alone modules or students may sign up for a full year, with in-person and online offering different but complimentary modules to increase the resource available. The redeveloped programme has had a strong re-launch, with 349 students signing up for Term 1 modules in Autumn 2023 (153 online, 196 in-person), 90% of whom having not studied at St Mellitus College before. The attendees of the online Beginning Theology Programme has included students as part of a new discernment programme offered by Pentecostal Churches which has been an exciting new development for the college.

All of our academic programmes are now validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. Some other awards, notably the Youth Ministry programme and the MA in Christian Leadership had been validated by Middlesex University. However in November 2021 we notified Middlesex University of our intention to withdraw from our Validation Agreement with them and the final students under these programmes graduated in July 2023. This means that, going forward, all our programmes are now validated by Durham University and, as shown in the Future Plans section, now include a Youth Ministry offering.

On 9th September 2020 we signed an agreement with Durham University which gives us the ability to offer a PhD programme. Under this arrangement, the students are Durham University students but the College shares in the supervision arrangements. The first student on this programme enrolled in September 2023.

In addition to the formal academic programmes, the College is increasingly being used as a theological resource throughout the regions that it serves. For example, the Diocese of London is involving the College in its Continuing Ministerial Education programme. We have also established an Alumni Association in order that we can maintain contact with former students and that we can continue to resource them theologically as they utilise their learning in the wider church.

Since March 2019 the college has been regulated by the Office for Students (OfS). The college is a Registered Provider of Higher Education in the Approved (Fee Cap) category. The Office for Students holds oversight for assuring the quality of the College's academic standards and provision.

The College continued to engage with the National Student Survey during 2024, with student response rates being above the national average. The College scored above the national average in all areas of the survey (between 3-14% above), and the areas where scoring decreased slightly from the College's 2023 results (between 0.08-6%) related to sub-sets of the student survey which staff at the College are aware of and continue to address, namely in the areas of assessment feedback, management of student time and communication or perceptions from students about these things. With the introduction of the new Discovery learning resources platform our learning resources score rose from 76% to 87% - this is an area which the College has had lower scores in the past and this score is evidence that the improvements made have improved the student experience in this area. In addition our accredited students take part in the Common Awards Student Survey and the results of that are similar to those of the NSS, especially in the area of assessment feedback.

In the Autumn of 2023, the College underwent its Periodic External Review (PER) by the Ministry Development Team of the Church of England, in conjunction with the Common Awards team, which each TEI undertakes every 4-5 years. The review included scrutiny of documentation, site visits and meetings with staff, students, alumni and other stakeholders. In the resultant report published in March 2024, the college received an overall result of "Confidence" for its' training of Ordinands (the highest possible result) and a separate overall result of "Confidence with Qualifications" for its training of LLMs (the middle result). This is a really positive result and indicates an improvement from the college's previous PER in 2017 which reported an overall result of "Confidence with Qualifications".

Launched in September 2023, the College delivered a pilot year of hosting a scriptorium at the London Centre, funded by the McDonald Agape Foundation, following a similar model already established at Pusey House in Oxford. Scriptorium is a place for postgraduate students to study within a structured framework of prayer, fellowship, and discussion.

Other positive indicators continue to be the fact that our drop out rates are lower than average for our sector and also that ordinands completing our programmes continue to find training posts to move into which are appropriate to the training that they have received whilst with us.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. Resulting from the fact that nearly fifty percent of current serving clergy are due to retire in the period 2015 to 2025, the national church has decided to increase target ordinand numbers by fifty percent over the next few years. This is however dependent on sufficient people putting themselves forward for this vocation.

FINANCIAL REVIEW

Excluding the Contingency Reserve, the movement on all other Unrestricted Funds results in a surplus of £87,756 (2023: £35,622). When the Contingency Fund release of £217,038 (2023:£182,962) is included, Unrestricted Funds decreased by £129,282 (2023: £147,340) and stood at £770,952 (2023: £900,234) at the year end.

The Designated Fund for the operation of St Mellitus, South West showed a deficit for the year of £49,800 (2023: £54,646), which means that the cumulative deficit on this fund at the year end is £104,446 (2023: £54,646).

The Designated Fund for the operation of St Mellitus, East Midlands showed a surplus of £23,565 (2023: £6,141 deficit) which means that the cumulative surplus on this fund at the year end is £117,827 (2023: £94,262).

Details of movements on the other Designated and Restricted funds are shown in Note 14.

Pricing Policy

Fees for Church of England ordinands are fixed for all approved theological education institutions by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses and also the Fee Cap imposed by the Office for Students.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £3,229,683 (2023: £2,801,617), of which £2,306,895 (71%) (2023: £1,963,519 - 70%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands.

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds. In addition interest is earned on a Business Reserve Account with NatWest Bank.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £450,000 which compares with the current level of available unrestricted reserves of £770,953 (excluding fixed assets: £749,560). The Trustees are therefore content with the current level of reserves.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of theological training and formation for the church, ordained and lay, and to develop opportunities for the variety of such training. In addition to continuing the existing programmes, the following developments are worthy of note -

Nationally the total number of ordinands in training has decreased by 32% over the last five years. National CofE figures show that over the last 5 years (since 2019/20) the number of ordinands in training on full-time non-residential pathways has decreased by 25.7% and the College has seen a corresponding decline in the number of ordinands being sent to us for training in line with that. The number training part time has decreased nationally by 26.9% compared to just 11.4% decline in SMC's figures, which shows that SMC has increased its market share of part-time ordinands over the past 5 years. In the autumn of 2023 the Archbishops' Council entered into Service Level Agreements with all Theological Education Institutions in the sector, including ourselves. This SLA, in addition to outlining expectations for training on both sides, seeks to provide some stability for the sector by agreeing to fee supplement payments to maintain income at or above the levels before the decline occurred. This supplement is estimated to be in excess of £700,000 in 2024/25.

Having decided to discontinue our dedicated Youth Ministry degree validated by Middlesex University, we launched a new youth focussed stream within our Durham University validated Theology, Mission and Ministry degree in September 2023. During 23/24 we were successful in securing a funding bid from the Church of England's 30k project to support the delivery of Youth Ministry training, and the introduction of a new Children's Ministry offering. The 30k project also funded full diploma programme fees for up to 30 students studying on these pathways for September 2024 entry and we were able to fill all these places. We hope to explore securing further funding to repeat or build on this success in future years.

The part-time programme at the Chelmsford Teaching centre only had a potential of two or three ordinands starting in September 2024. It was therefore decided to suspend delivery of Level 4 teaching for one year to review provision in the centre to ensure viable and sustainable student cohorts with consideration to student experience and pedagogy, staff flourishing and financial sustainability.

We are grateful to the McDonald Agape Foundation who have agreed to fund a four year project to mark the importance of the Nicaea Creed for the 21st Century. 2025 is a significant anniversary year, celebrating 1700 years since the Council. The project will run from Autumn 2024 to Summer 2027 and will include public lectures from world-leading academics in the field as we ponder the meaning of Nicaea for the church and the academy, as well as a Creedal Spirit Conference in 2025, a Colloquium in 2027, and the writing and publication of books on the subject.

We are also grateful to the Archbishops' Council's Racial Justice Unit, who in November agreed to fund the college's proposed Project Metanoia, which will be running from December 2024 through August 2027. The funding will enable the college to continue prioritising racial justice at the heart of who we are and to be proactive in fostering change by targeting four areas - diversified training, key resourcing, intercultural placements and targeted recruitment.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: St Mellitus College Trust

Charity registration number: 1094157

Company registration number: 4546328

Principal Address and
Registered Office: 24 Collingham Road
London SW5 0LX

Website: www.stmellitus.ac.uk

Advisers

Auditors: Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP

Solicitors: Winkworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Bankers: Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ

NatWest Bank plc, 55 Kensington High Street, London W8 5ZG

CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purposes of charity law.

The trustees and officers serving during the year and since the year end were as follows, together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) [also Member]

The Right Reverend Doctor G Francis-Dehqani (Bishop of Chelmsford) [also Member]

The Reverend R Coates (Representative of St Paul's Theological Centre - also Member)

The Venerable C Burke Bishop of Chelmsford

Mrs C Butcher St Paul's Theological Centre - from 1st October 2023

The Reverend Canon A Eleyae Bishop of London - from 10th June 2024

Sir H Sants Bishop of London - to 10th June 2024

The Reverend Dr B Sargent General Synod

The Right Reverend Dr G Tomlin (President)

The Reverend Dr S Prentis Joint

Mr A Winther Joint

The Reverend K Wharton Joint

Key Management Personnel

The trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Russell Winfield), the Academic Dean (Doctor Sara Schumacher) and the Chief Operating Officer (Mrs Tilly Bacon).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on 26th September 2002 and registered as a charity on 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 15th June 2019 further new Memorandum and Articles of Association were adopted incorporating new procedures for nominating and appointing trustees for the charity.

Appointment of Trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on 15th June 2019 the trustees consist of at least three but not more than thirteen individuals nominated to serve as follows: The Bishop of Chelmsford, The Bishop of London, a trustee representative of St Paul's Theological Centre (together constituting the Members), one trustee nominated by each of the Members, one trustee nominated by the General Synod of the Church of England, no more than five further trustees appointed jointly and unanimously by the Members and the President for the time being of the College.

Trustee Induction and Training

The Members and senior team liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the trustees according to defined procedures.

Pay and Remuneration of Senior Staff

All current senior staff are remunerated by St Paul's Theological Centre. The Dean, who is ordained, is remunerated as an Archdeacon in the Diocese of London. All other executive staff are non-ordained; their remuneration is based on experience, responsibility and benchmarking against similar roles within SPTC's group and externally.

Related Parties

All the trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 8 to the financial statements.

Risks and Uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the trustees on 19th December 2024 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

St Mellitus College Trust

Statement of Corporate Governance and Internal Control for the year ended 31 July 2024

The College's framework of governance is established in its Memorandum and Articles of Association. The College is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee) and the Higher Education Code of Governance issued by the Committee of College Chairs.

In adopting this Code of Governance, the College is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The College maintains a register of interest of members of the board of trustees which is available for inspection.

Charitable Status

The College is a Registered Charity (No 1094157) and a Company Limited by Guarantee (No 4546328) and is regulated by the Office for Students (OfS). The College received notification of its successful application for registration with the OfS in March 2019. For the purposes of Company Law, the trustees are the Company's directors. The charitable purposes of the College as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England;
- providing other theological and ministerial training and Christian education; and
- engaging with others in such theological and ministerial training and Christian education.

The Board of Trustees

The board of trustees oversees the activities of the College and determines its strategic direction. The specific powers of the board are set out in the Memorandum and Articles.

The board has a duty to enable the College to develop its vision and strategy and to achieve success in achieving its objectives. In doing this, it always seeks to safeguard and protect the reputation of the College.

The board has a formal function to hold the Dean to account for the effective management of the College. The board is a steering body and fundamentally serves to add value to the College's affairs, by offering independent, expert input to and constructive challenge of the decisions of the College management.

The board has formal decision-making responsibility in a number of key areas, including the approval of the College's strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the College are the appointment and performance management of the Dean and other senior post holders, adoption of its annual financial statements, budgets, financial forecasts and the appointment of the College's external auditors.

The board is responsible for approving annual returns to the Office for Students as required.

The board of trustees comprises members from outside the College as laid out in the Articles of Association which also defines the charring arrangements.

Conduct of Business

The board has a minimum of three meetings per year. The formal board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key College events. This helps to ensure that trustees are part of the wider community of the College and that they are fully briefed on the activities of and challenges and opportunities facing the College.

There is a clear division of responsibility in that the role of chair of the board of trustees is separated from the role of the College's Dean.

The board has a number of standing committees to help it discharge its business effectively:

Audit and Risk Committee

The Audit and Risk Committee meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Committee reports to the board on the adequacy and effectiveness of the College's arrangements for:

- risk management, control and governance;
- financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of trustees' responsibilities as reported in the annual financial statements);
- economy, efficiency and effectiveness (value for money); and
- data quality.

It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to the regulatory requirements.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the board of trustees on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Dean and Assistant Deans. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Dean and senior staff pay is transparent and practices are consistent with best practice. Details of remuneration for the year ended 31 July 2024 are set out in note 7 of the financial statements.

Nominations Committee

The Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Committee

The Academic Committee offers strategic academic oversight through liaising with the senior staff that have responsibility for leadership of the academic life of the College. It seeks to maintain the high academic standards that St Mellitus College has set, as well as review and contribute to the strategic development and direction of the College in relation to academic matters and regulation.

Internal Control

The College's board of trustees is responsible for ensuring that the College maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The board of trustees has delegated the day to day responsibility to the Dean, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the College's internal control and risk management:

- The board of trustees meets a minimum of three times a year to consider the plans and strategic direction of the College. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. The board of trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.
- The management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the College's operations.
- An organisation-wide risk register is maintained and is available on the College's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks.
- Management accounts are presented regularly to the board of trustees and are regularly monitored by the Audit and Risk Committee. The annual budget and financial forecasts are also presented to the board of trustees.

The board of trustees is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

These processes enable the College to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the College.

Going Concern

After reviewing detailed papers, the board of trustees considered, at its meeting on 19th December 2024, that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of the Responsibilities of the Board of Trustees

In accordance with the College's Memorandum and Articles of Association, the board of trustees is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The board of trustees is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles, with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the board of trustees has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The board of trustees is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

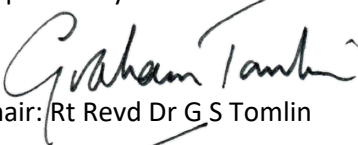
The board of trustees has taken reasonable steps to:

- safeguard the assets of the College, prevent and detect fraud, and ensure that risk management is in place;
- ensure that the board of trustees' report and other information included in the financial statements are prepared in accordance with relevant legislation in the UK;
- secure the economical, efficient and effective management of the College's resources and expenditure; and
- ensure that the College operates an effective health and safety policy.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, senior officers of the College;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns; and
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the board of trustees.

Approved by the trustees on 19th December 2024 and signed on their behalf by


Chair: Rt Revd Dr G S Tomlin

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the charitable company") for the year ended 31 July 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislations;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 in 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual 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 our 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the 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 relating 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, 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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

 Moore Kingston Smith LLP

Adam Fullerton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 19 December 2024

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2024

		-- Unrestricted Funds --			Total Funds	Total Funds
		General	Designated	Restricted	2024	2023
		Fund	Funds	Funds		
			(Note 13)	(Note 13)		(Note 15)
	Note	£	£	£	£	£
INCOME	3					
Donations & grants		23,111	0	280,826	303,937	149,793
Charitable activity income		2,679,938	810,462	0	3,490,400	2,843,176
Investment income		22,847	0	0	22,847	11,199
TOTAL INCOME		2,725,896	810,462	280,826	3,817,184	3,004,168
EXPENDITURE	5					
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,501,628	794,298	237,049	3,532,975	2,989,216
Grants made		200,000	217,038	0	417,038	164,512
TOTAL EXPENDITURE		2,701,628	1,011,336	237,049	3,950,013	3,153,728
NET OPERATING INCOME / EXPENDITURE		24,268	-200,874	43,777	-132,829	-149,560
Transfers between funds		47,325	0	-47,325	0	0
NET INCOME / EXPENDITURE and net movement in funds for year	2	71,593	-200,874	-3,548	-132,829	-149,560
RECONCILIATION OF FUNDS						
Total funds brought forward	14	656,910	243,324	10,606	910,840	1,060,400
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2024	14	728,503	42,450	7,058	778,011	910,840

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

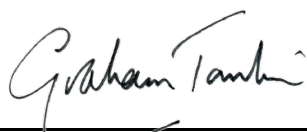
St Mellitus College Trust

Balance Sheet as at 31 July 2024

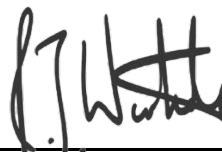
		2024	2023
	£	£	£
	Note		
FIXED ASSETS			
Intangible assets	10	0	8,510
Tangible assets	9	21,393	21,894
CURRENT ASSETS			
Debtors	11	177,184	139,112
Cash at bank and in hand		1,227,903	873,715
		<u>1,405,087</u>	<u>1,012,827</u>
CREDITORS: amounts falling due within one year	12	<u>-648,469</u>	<u>-132,391</u>
NET CURRENT ASSETS		756,618	880,436
TOTAL NET ASSETS		<u><u>778,011</u></u>	<u><u>910,840</u></u>
UNRESTRICTED FUNDS	14	770,953	900,234
RESTRICTED FUNDS	14	7,058	10,606
TOTAL FUNDS		<u><u>778,011</u></u>	<u><u>910,840</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the trustees on 19th December 2024 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin
Company No: 4546328



Dean (Accountable Officer): Revd R Winfield

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2024

	2024	2023		
	£	£		
Net Cash Inflow / Outflow From Operating Activities (Note A)	343,871	-261,249		
Investing Activities				
Payments to acquire tangible fixed assets	-12,530	-16,740		
Interest received	22,847	11,199		
Increase / Decrease in Cash (Note B)	<u>354,188</u>	<u>-266,790</u>		
A) Reconciliation of Operating Deficit to Net Cash Inflow / Outflow from Operating Activities	2024	2023		
	£	£		
Operating deficit	-132,829	-149,560		
Interest received	-22,847	-11,199		
Depreciation charges	13,031	11,715		
Amortisation charges	8,510	8,510		
Increase in debtors	-38,072	-30,869		
Increase / decrease in creditors	516,078	-89,846		
Net cash inflow / outflow from operating activities	<u>343,871</u>	<u>-261,249</u>		
B) Reconciliation of Net Cash Flow to Movements in Net Cash	2024	2023		
	£	£		
Increase / decrease in cash in the year representing change in net cash	354,188	-266,790		
Net cash at 1 August	873,715	1,140,505		
At 31 July	<u>1,227,903</u>	<u>873,715</u>		
C) Analysis of Changes in Net Funds				
	1 August	Non-cash	Cash	31 July
	2023	Changes	Flows	2024
	£	£	£	£
Cash at bank and in hand	873,715	-	354,188	1,227,903
Total Net Funds	<u>873,715</u>	<u>-</u>	<u>354,188</u>	<u>1,227,903</u>

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2024

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Incorporation

The charity is incorporated in England and Wales. It is a Company Limited by Guarantee with the liability of members in the event of liquidation being £1 each.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)) including Update Bulletin 2, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(c) Preparation of the accounts on a going concern basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to its funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Intangible assets

Website development costs are capitalised at cost and amortised over expected useful life (3 years).

(h) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(j) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 11 and 12 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

The Charity participates in the Church of England Funded Pension Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that 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. The 2021 valuation showed the Scheme to be fully funded and as such, deficit contributions are no longer required.

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

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

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

As detailed above, the scheme is currently in surplus. No deficit recovery contributions are payable and no Recovery Plan is required. Due to this, the charity no longer recognises a liability in the financial statements.

The legal structure of the scheme is such that if another Responsible Body fails, St Mellitus College Trust could become responsible for paying a share of that failed Responsible Body's pension liabilities.

(l) Judgments and key sources of estimation uncertainty

In the application of the charity's accounting policies, the trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2. NET INCOME / EXPENDITURE FOR THE YEAR

	2024	2023
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year estimate	10,555	10,100
- prior year under accrued	2,525	2,925
- Operating lease payments made in year	4,364	4,748

3. INCOME

	-- Unrestricted Funds --			
	General Fund	Designated Funds	Restricted Fund	Total Funds 2024
	£	£	£	£
Income from donors				
Donations & grants	21,514	0	228,603	250,117
Office for Students grants	0	0	52,223	52,223
Gift Aid recovered	1,597	0	0	1,597
	<u>23,111</u>	<u>0</u>	<u>280,826</u>	<u>303,937</u>
Income from charitable activities				
Course fees (see Note 4)	2,470,965	758,718	0	3,229,683
Diocesan share of staff costs	32,004	0	0	32,004
Diocesan contributions	12,000	0	0	12,000
Other income	164,969	51,744	0	216,713
	<u>2,679,938</u>	<u>810,462</u>	<u>0</u>	<u>3,490,400</u>
Investment income				
Bank interest	22,847	0	0	22,847
TOTAL INCOME	<u>2,725,896</u>	<u>810,462</u>	<u>280,826</u>	<u>3,817,184</u>

The comparative figures for the year ended 31st July 2023 were -

-- Unrestricted Funds --				
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2023
	£	£	£	£
<i>Income from donors</i>				
Donations & grants	14,365	0	67,336	81,701
Office for Students grants	0	0	65,592	65,592
Gift Aid recovered	2,500	0	0	2,500
	<u>16,865</u>	<u>0</u>	<u>132,928</u>	<u>149,793</u>
<i>Income from charitable activities</i>				
Course fees (see Note 4)	2,108,960	692,657	0	2,801,617
Diocesan share of staff costs	29,559	0	0	29,559
Diocesan contributions	12,000	0	0	12,000
Other income	0	0	0	0
	<u>2,150,519</u>	<u>692,657</u>	<u>0</u>	<u>2,843,176</u>
<i>Investment income</i>				
Bank interest	11,199	0	0	11,199
TOTAL INCOME	<u>2,178,583</u>	<u>692,657</u>	<u>132,928</u>	<u>3,004,168</u>

4. FEES & GRANTS ANALYSIS

	Total	Total
	2024	2023
	£	£
Office for Students grant income	52,223	65,592
Ordinand fee income - taught HE awards	1,576,664	1,656,620
Ordinand fee income - non-accredited students	65,271	105,421
Ordinand fee income - fee supplement	664,960	201,478
Other fee income - taught HE awards	395,330	446,763
Other fee income - non-accredited & FE students	527,458	391,335
TOTAL FEE INCOME	<u>3,281,906</u>	<u>2,867,209</u>

5. EXPENDITURE

	Basis of Allocation	Total 2024	Total 2023
		£	£
Costs of College Operations -			
Staff costs (see Note 7)	Staff Time	960,592	857,151
Academic travel and training	Direct	76,490	14,345
Fieldwork and placements	Direct	62	1,798
Visiting speakers' fees & expenses	Direct	13,693	14,189
Library books and supplies	Direct	11,675	11,254
Printing, stationery and photocopying	Direct	1,748	2,023
Postage and telephone	Direct	2,922	2,067
Travel, training and staff meals	Direct	45,200	38,423
Recruitment and relocation costs	Direct	0	1,680
Premises costs and rentals	Direct	100,769	102,750
Chapel	Direct	172	69
University fees	Direct	10,766	11,692
Residential costs	Direct	135,159	168,789
Other catering costs	Direct	55,831	58,165
Equipment	Direct	3,011	3,938
Depreciation	Direct	13,031	11,715
Amortisation	Direct	8,510	8,510
Maintenance	Direct	16	0
Professional charges	Direct	20,672	17,928
Bank charges and interest	Direct	2,757	1,751
Other administrative costs	Direct	70,276	59,293
Fee from SPTC for Educational Services	Direct	1,999,623	1,601,687
Total cost of college operations		<u>3,532,975</u>	<u>2,989,216</u>
Grants made		417,038	164,512
TOTAL EXPENDITURE		<u>3,950,013</u>	<u>3,153,728</u>

6. TAXATION

The charitable company is exempt from corporation tax on its income and gains to the extent that they are derived from charitable activities.

7. STAFF COSTS AND NUMBERS

	General Fund	Designated Funds	Restricted Funds	2024 Total
	£	£	£	£
Salaries and wages - academic staff	106,472	297,764	0	404,237
Salaries and wages - administrative	151,495	50,483	0	201,979
Social security costs	25,949	41,520	0	67,469
Pension costs	19,495	44,534	0	64,029
Housing costs (incl. allowances)	25,889	53,851	0	79,740
Other grants and allowances	2,205	8,492	0	10,697
Healthcare costs	585	721	0	1,306
Temporary staff	773	0	0	774
Salary contributions	-89,139	32,142	187,358	130,361
	243,724	529,508	187,358	960,592

The comparative figures for the year ended 31st July 2023 were -

	General Fund	Designated Funds	Restricted Funds	2023 Total
	£	£	£	£
Salaries and wages - academic staff	93,617	260,146	0	353,765
Salaries and wages - administrative	134,457	87,099	0	221,556
Social security costs	24,440	41,013	0	65,453
Pension costs	26,544	47,916	0	74,460
Housing costs (including allowances)	22,389	55,649	0	78,037
Other grants and allowances	3,491	7,489	0	10,981
Healthcare costs	1,009	1,221	0	2,231
Temporary staff	2,193	270	0	2,464
Salary contributions	-41,232	20,132	69,306	48,205
	266,908	520,935	69,306	857,151

No employee received emoluments (excluding pension) of more than £60,000.

Key management personnel who are ordained, are remunerated in accordance with London diocesan pay scales. Some of these costs are shared with St Paul's Theological Centre. See also note regarding the Head of Provider's pay below.

The average monthly head count was 23.2 staff (2023: 24.2) and the average monthly number of full time equivalent employees during the year was:

	2024	2023
	No	No
Assistant Dean /Course Directors	2.0	3.2
Tutors	9.1	7.7
Administration and support	6.9	7.8
	18.0	18.7

No trustee received any remuneration in their capacity as a trustee from the charity (2023: NIL)

Three trustees incurred travel expenses of £393 in the year (2023: 4 trustees, £476).

Key Management Personnel

The key management personnel of the Charity constitute The Dean, the Academic Dean and the Chief Operating Officer, all three of whom are employed by St Paul's Theological Centre (SPTC).

We are advised by SPTC that the total employee remuneration of the three members of management employed by SPTC (including pensions and employer's NI contributions) was £223,932 (2023: £209,936).

Head of Provider's Remuneration

We are required to declare the remuneration of the Head of Provider (the college Dean). The Dean is not employed by the charity but is an employee of St Paul's Theological Centre. The following information has been provided to us by St Paul's Theological Centre -

The Dean is remunerated at the standard rate for an Archdeacon in the Diocese of London.

	£
Annual salary	41,108
Employer's pension contributions (standard rate for all CofE clergy)	<u>6,996</u>
Total remuneration	<u>48,104</u>

In common with all stipendiary clergy of the Church of England, the Dean is also provided with housing.

The salary (excluding pension contributions) represents a multiple of 1.22 (2023: 1.36) of the average salary for the charity as a whole.

8. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report, all trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

The Archbishops' Council - funding received of £2,584,420 (2023: £201,478)

The Archbishops' Council - outstanding net debtor £49,623 (2023: £3,280 creditor)

The Archbishops' Council - recharge of expenses incurred on their behalf

London Diocesan Fund - funding received of £20,991 (2023: £769,799)

London Diocesan Fund – outstanding debtor £NIL (2023: £9,709)

Chelmsford Diocesan Board of Finance - funding received of £46,213 (2023: £213,394)

Chelmsford Diocesan Board of Finance – outstanding debtor £NIL (2023: £4,588)

St Paul's Theological Centre - recharge of expenses incurred on their behalf

St Paul's Theological Centre – donation towards costs at St Jude's - £33,446 (2023: £31,925)

St Paul's Theological Centre – fee for educational services £1,999,623 (2023: £1,601,687)

St Paul's Theological Centre – year end creditor £488,100 (2023: £17,918 debtor)

St Paul's Theological Centre – grant from Contingency Fund regarding fees of £217,038 and a further donation of £200,000 out of this year's surplus (2023: £164,512, Contingency Fund release)

Holy Trinity Brompton - Beginning Theology fees and grant received £85,819 (2023: £NIL)

Revitalise Trust - student fees received of £353,110 (2023: £225,713)

There were no other Related Party Transactions that require disclosure during the period.

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Office Furniture £	Computer Equipment £	Total £
Cost				
At 1st August 2023	22,389	20,817	24,432	67,638
Additions	3,511	2,103	6,916	12,530
Disposals	0	0	-3,938	-3,938
At 31st July 2024	<u>25,900</u>	<u>22,920</u>	<u>27,410</u>	<u>76,230</u>
Accumulated Depreciation				
At 1st August 2023	10,405	17,638	17,701	45,744
Charge for the year	5,846	2,002	5,183	13,031
Disposals	0	0	-3,938	-3,938
At 31st July 2024	<u>16,251</u>	<u>19,640</u>	<u>18,946</u>	<u>54,837</u>
Net Book Value				
At 31st July 2024	9,649	3,280	8,464	21,393
At 31st July 2023	11,984	3,179	6,731	21,894

10. INTANGIBLE FIXED ASSETS

	Website Development £
Cost	
At 1st August 2023	25,530
Additions	0
At 31st July 2024	<u>25,530</u>
Accumulated Amortisation	
At 1st August 2023	17,020
Charge for the year	8,510
At 31st July 2024	<u>25,530</u>
Net Book Value	
At 31st July 2024	0
At 31st July 2023	8,510

11. DEBTORS

	2024 £	2023 £
Other debtors and prepayments	177,184	139,112
	<u>177,184</u>	<u>139,112</u>

12. CREDITORS: Amounts falling due within one year

	2024 £	2023 £
Sundry creditors and accruals	594,326	132,391
Deferred income	54,143	0
	<u>648,469</u>	<u>132,391</u>

Included in the above are amounts of £7,610 relating to pensions (2023: £22,682).

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2024 Total £
Fixed assets	21,393	0	21,393
Current assets	1,398,029	7,058	1,405,087
Current liabilities	-648,469	0	-648,469
Net assets at 31 July 2024	770,953	7,058	778,011

The comparative figures as at 31st July 2023 were -

<i>Fixed assets</i>	<i>30,404</i>	<i>0</i>	<i>30,404</i>
<i>Current assets</i>	<i>1,002,221</i>	<i>10,606</i>	<i>1,012,827</i>
<i>Current liabilities</i>	<i>-132,391</i>	<i>0</i>	<i>-132,391</i>
<i>Net assets at 31 July 2023</i>	<i>900,234</i>	<i>10,606</i>	<i>910,840</i>

14. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC South West Fund** records the operations of the delivery centre in Plymouth. During the year under review, the centre had an operating deficit of £49,800 (2023: £54,646), which, together with the brought forward deficit of £54,646, resulted in a cumulative deficit of £104,446.

The **SMC East Midlands Fund** records the operations of the delivery centre in Nottingham. During the year under review, the centre had an operating surplus of £23,565 (2023: deficit of £6,141, Nottingham & Leicester combined) which, together with the brought forward surplus of £94,262, gives a closing surplus balance of £117,827.

The **Contingency Fund** had set aside the surplus achieved in the year 2021/22, as a result of savings due to the Covid-19 pandemic, to cover future shortfalls in income resulting from the consequences of the pandemic and other factors. During the current year the final balance of £217,038 was released from this fund as a grant to SPTC, in respect of reduced student income.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the posts of the McDonald Professor of Christian Theology and the Distinguished Emeritus Professor.

The **McDonald Nicaea Fund** is in respect of a donation received from the McDonald Agape Foundation to fund a series of research activities, academic conferences, colloquia, public lectures, and publishable materials examining the proceedings of the Council of Nicaea (325 AD) and its relevance to Christian orthodoxy in today's world.

The **McDonald Fellowship** is in respect of a donation received from the McDonald Agape Foundation in support of the academic, scholarly and religious purposes of the college; it is specifically enabling the completion of the manuscript on Christian ethics and contemporary psychology's assumptions about the concepts of morality.

The **Broadening Access to Theological Education Fund** is in respect of a project to develop methods to broaden access to the training of church leaders in radical new ways, drawing in more people through our innovative and world leading model of context-based training.

The **Innovation Funding** is a grant from Archbishops' Council in support of pioneering the Peter Stream into a new regional hub based at SMC East Midlands through working with local Dioceses.

The **Office for Students' Capital Grant** is a grant for investment in physical infrastructure, to help the college remain fit for purpose. This grant was spent on capital additions during the year.

The **Office for Students' Disability Grant** is a grant to support successful outcomes for disabled students.

The **Office for Students' Improving Outcomes Grant** is a grant to support undergraduate students who are deemed to be most at risk of withdrawing from their studies because of their qualifications and age profile, and who therefore require additional investment to ensure their retention and success.

The analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-13,329	88,202	45,803	0	29,070
SMC South West	-54,646	211,112	260,913	0	-104,447
SMC East Midlands	94,261	511,148	487,582	0	117,827
Contingency	217,038	0	217,038	0	0
	<u>243,324</u>	<u>810,462</u>	<u>1,011,336</u>	<u>0</u>	<u>42,450</u>
<u>Restricted Funds</u>					
Dean's Discretionary	10,606	3,392	6,940	0	7,058
McDonald Professor	0	93,000	61,978	-31,022	0
McDonald Nicaea	0	52,500	47,799	-4,701	0
McDonald Fellowship	0	7,065	7,065	0	0
Innovation	0	72,646	72,646	0	0
OfS Capital Grant	0	11,602	0	-11,602	0
OfS Disability Grant	0	4,261	4,261	0	0
OfS Improving Outcomes	0	36,360	36,360	0	0
	<u>10,606</u>	<u>280,826</u>	<u>237,049</u>	<u>-47,325</u>	<u>7,058</u>

The comparative figures for the year ended 31st July 2023 were -

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-10,837	31,726	34,218		-13,329
SMC South West	0	170,392	240,413	15,375	-54,646
SMC East Midlands	100,402	490,539	499,755	3,075	94,261
Contingency	400,000	0	164,512	-18,450	217,038
	<u>489,565</u>	<u>692,657</u>	<u>938,898</u>	<u>0</u>	<u>243,324</u>
<u>Restricted Funds</u>					
Dean's Discretionary	7,826	3,030	250	0	10,606
McDonald Professor	5,000	35,000	40,000	0	0
Broadening Access	0	29,306	29,306	0	0
OfS Capital Grant	0	14,722	0	-14,722	0
OfS Disability Grant	0	5,658	5,658	0	0
OfS Hardship Fund	0	2,085	2,085	0	0
OfS Improving Outcomes	0	43,127	43,127	0	0
	<u>12,826</u>	<u>132,928</u>	<u>120,426</u>	<u>-14,722</u>	<u>10,606</u>

15. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2024	2023
	£	£
Within 1 year	368	2,680
2 - 5 years	0	223
More than 5 years	0	0
	<u>368</u>	<u>2,903</u>

16. SoFA COMPARATIVE FIGURES

The comparative figures for the Statement of Financial Activities for the year ended 31st July 2023 are as follows-

	-- Unrestricted Funds --			
	General Fund	Designated Funds	Restricted Funds	Total Funds 2023
	£	£	£	£
INCOME				
Donations & grants	16,865	0	132,928	149,793
Charitable activity income	2,150,519	692,657	0	2,843,176
Investment income	11,199	0	0	11,199
TOTAL INCOME	2,178,583	692,657	132,928	3,004,168
EXPENDITURE				
<i>Expenditure on charitable activities:</i>				
Operation of college courses	2,094,404	774,386	120,426	2,989,216
Grants made	0	164,512	0	164,512
TOTAL EXPENDITURE	2,094,404	938,898	120,426	3,153,728
NET OPERATING INCOME / EXPENDITURE	84,179	-246,241	12,502	-149,560
Transfers between funds	14,722	0	-14,722	0
NET INCOME / EXPENDITURE and net movement in funds	98,901	-246,241	-2,220	-149,560
RECONCILIATION OF FUNDS				
Total funds brought forward	558,009	489,565	12,826	1,060,400
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2023	656,910	243,324	10,606	910,840

ST MELLITUS COLLEGE TRUST

England & Wales - Charity number 1094157

Accounts



ST
MELLITUS
COLLEGE

St Mellitus College Trust

Annual Report
& Financial Statements

Year Ended 31 July 2023

Charity number: 1094157

Company number: 4546328

St Mellitus College Trust

(A company limited by guarantee)

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St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2023

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2023 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2.

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part time ordination training course (“the Course”), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered in Plymouth, Nottingham and Leicester and also an entry level course under the title of 'Beginning Theology'.

In seeking to measure success the charity primarily looks to the recruitment levels for its programme which are mostly driven by word of mouth recommendations from existing students. Although student numbers in the year under review have shown a 16% decline compared to the previous year, this is mainly due to the reduced number of ordinands being sent by the Church of England for training. We do not consider this to be a decline in the attractiveness of our programmes as can be evidenced by the outcomes of the National Student Survey (see below).

We also have extensive student feedback processes and since the academic year 2016/17 have been participating in the National Student Survey. We were subject to regular scrutiny by the Quality Assurance Agency for Higher Education and now by the Office for Students who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning The Advancement of Religion for the Public Benefit published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity's work.

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Truro, Exeter, Southwell & Nottingham, Leicester, Derby and also further afield by and in -

- the provision of public rituals and ceremonies
- the cure of souls and the moral and spiritual improvement of the public
- the provision of comfort to the bereaved
- contributing towards a better society, by promoting social cohesion and social capital.

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The Trustees wish to note their thanks to all such volunteers.

ACHIEVEMENTS AND PERFORMANCE

The following matters of achievement and performance are noted as follows -

The Course is run on a part-time basis usually over two or three years for Anglican candidates, to study towards graduation and ordination. In addition there are a number of Licenced Lay Ministry candidates and independent students following this pathway. The students are normally required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting both ordinands and independent students.

The College has continued to promote the Peter Stream which is a discernment pathway towards Church of England ordination for leaders who have faced exclusion for reasons of ethnicity, social background or education. The scheme is a one-year programme that runs in conjunction with the Church of England's discernment process. The College provides training, study and pastoral support.

The College has continued to develop the Caleb Stream - a one year discernment pathway towards Church of England ordination for mature lay Christians with leadership experience. With often one priest assigned to serve multiple parishes, particularly in rural areas. this stream aims to train and mobilise a generation to serve in parishes across the UK. In the year under review this pathway was extended to our East Midlands delivery centre with a total of 27 students across the College compared to 10 students in the previous (first) year.

Our delivery centre in Plymouth which covers the region of the dioceses of Exeter and Truro, with additional students coming from the diocese of Bath and Wells, had a total of 25 students (2021/22: 32) in the year under review. We are finding recruitment for this centre challenging, with more ordinands being on two year pathways rather than the three year pathway which is normal for our model of training.

Our East Midlands delivery centre based in both Nottingham and Leicester has now become established as a key part of the college. There were a total of 63 students (2021/22: 61).

In all this year, including SPTC students, the College had 234 ordinands (2021/22: 282) in training and delivered accredited courses to more than 120 other students.

Following the completion of both the June and November exam boards, the class of 2023 included 146 students who graduated with undergraduate awards validated by one of our two partner universities, with one being a first class award. In addition, 43 students graduated with postgraduate awards, with 6 of these being awarded distinctions.

The 'Beginning Theology' course continues to attract students, now being offered as both in-person and online offerings. In the Summer Term of 2023 there were 34 (2022: 22) students enrolled plus a number of Peter Stream students. This course is intended as a route into higher education for those with limited previous educational experience. Since establishing this course in 2009 a significant number of former students have gone on to study at a higher level with some now having been ordained as Church of England ministers. As described in the Future Plans section this course has undergone a major relaunch in September 2023.

All of our academic programmes are now validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. Some other awards, notably the Youth Ministry programme and the MA in Christian Leadership had been validated by Middlesex University. However in November 2021 we notified Middlesex University of our intention to withdraw from our Validation Agreement with them and the final students under these programmes graduated in July 2023. This means that, going forward, all our programmes are now validated by Durham University and, as shown in the Future Plans section, now include a Youth Ministry offering.

On 9th September 2020 we signed an agreement with Durham University which gives us the ability to offer a PhD programme. Under this arrangement, the students are Durham University students but the College shares in the supervision arrangements. The first student on this programme enrolled in September 2023.

In addition to the formal academic programmes, the College is increasingly being used as a theological resource throughout the regions that it serves. For example, the Diocese of London is involving the College in its Continuing Ministerial Education programme. We have also established an Alumni Association in order that we can maintain contact with former students and that we can continue to resource them theologically as they utilise their learning in the wider church.

Since March 2019 the college has been regulated by the Office for Students (OfS). The college is a Registered Provider of Higher Education in the Approved (Fee Cap) category.

The College continued to engage with the National Student Survey during 2023, with student response rates being above the national average. The Overall Satisfaction score is no longer applicable to HE institutions in England so there is no data for that from this year going forward. The College scored above the national average in all areas of the survey (between 4-12% above), and the areas where scoring was below the national average related to sub-sets of the student survey which staff at the College are aware of and continue to address, namely in the areas of assessment feedback and learning resources. Results on assessment feedback were only 0.13 below the national average, and the College awaits scoring in 2024 NSS after the introduction of the new Discovery learning resources platform.

The Office for Students now holds oversight for assuring the quality of the College's academic standards and provision. They have replaced the Quality Assurance Agency (QAA).

Other positive indicators continue to be the fact that our drop out rates are lower than average for our sector and also that ordinands completing our programmes continue to find training posts to move into which are appropriate to the training that they have received whilst with us.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. Resulting from the fact that nearly fifty percent of current serving clergy are due to retire in the period 2015 to 2025, the national church has decided to increase target ordinand numbers by fifty percent over the next few years. This is however dependent on sufficient people putting themselves forward for this vocation.

FINANCIAL REVIEW

Excluding the Contingency Reserve, the movement on all other Unrestricted Funds results in a small surplus of £35,622. When the Contingency Fund release of £182,962 is included, Unrestricted Funds decreased by £147,340 and stood at £900,234 as at 31st July 2023. The remaining balance of £217,038 on the Contingency Fund is expected to be released during the coming year. Without this Contingency Reserve, total Unrestricted Funds would amount to £683,196.

The Designated Fund for the operation of St Mellitus, South West showed a deficit for the year of £54,646 (2022: £47,214) which is also the cumulative deficit on this fund as at 31st July 2023.

The Designated Fund for St Mellitus, East Midlands shows a deficit of £6,141 (2022: £35,814) which means that the cumulative surplus on this fund as at 31st July 2023 is £94,262 (2022: £100,403). Any negative cash flow during the start up period is covered by a loan facility of up to £90,000 from the three local supporting dioceses which has not had to be drawn down.

Details of movements on the other Designated and Restricted funds are shown in Note 14.

Pricing policy

Fees for Church of England ordinands are fixed for all approved theological education institutions by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses and also the Fee Cap imposed by the Office for Students.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £2,801,617 (2022: £2,978,663), of which £1,963,519 (70%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands (mostly via dioceses).

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds. In addition interest is earned on a Business Reserve Account with NatWest where funds are swept from our main account.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £495,000 which compares with the current level of available unrestricted reserves of £900,234 (excluding fixed assets: £869,830). Included in these reserves are the Contingency Reserve (see above) of £217,038 being held to cover future losses resulting from the Covid-19 pandemic. Without this Contingency Reserve unrestricted reserves would be £683,196 compared to the target of £495,000. Given the current uncertainties, the Trustees are content with the current level of reserves.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of theological training and formation for the church, ordained and lay, and to develop opportunities for the variety of such training. In addition to continuing the existing programmes, the following developments are worthy of note -

The number of ordinands being sent to us for training by the Church of England significantly declined, compared to previous years, in both the September 2022 and 2023 entries and is running significantly below the church's future target numbers. In 2022 this was thought to be a consequence of the introduction of a new selection process, which encountered some teething problems, and a post-Covid lag. It now appears that the numbers of people offering themselves for ordination is currently significantly below previous numbers. In the autumn of 2023 the Archbishops' Council entered into Service Level Agreements with all Theological Education Institutions in the sector, including ourselves. This SLA, in addition to outlining expectations for training on both sides, seeks to provide some stability for the sector by agreeing to fee supplement payments to maintain income at or above the levels before the decline occurred. Whilst not currently calculated, this supplement is estimated to be in excess of £800,000 in 2023/24.

Having decided to discontinue our dedicated Youth Ministry degree validated by Middlesex University, we launched a new youth focussed stream within our Durham University validated Theology, Mission and Ministry degree in September 2023. The initial cohort of students for this stream numbered seven students and we are hopeful that we can grow this number in future years.

The part time ordinand pathway based at St Mellitus, East Midlands in Leicester which was launched in September 2021 only had a potential of two ordinands starting in September 2024. It was therefore decided to pause this pathway for a year whilst a review of the future is conducted in consultation with the local dioceses.

The Peter Stream is a discernment pathway towards Church of England ordination for leaders who have faced exclusion for reasons of ethnicity, social background or education. The scheme is a one-year programme that runs in conjunction with the Church of England's discernment process. The College provides training, study and pastoral support. First launched in London in 2020, the scheme has been very successful in bringing to ordination a number of talented individuals who would not previously have passed the Church of England's selection processes. We are very pleased to have been granted funding by the Church of England's Innovation Fund to launch this scheme at St Mellitus College, East Midlands which we did in September 2023 with an initial cohort of nine students.

The Beginning Theology offering, which is an introductory course enabling access to theology, has been relaunched with a new provision in 2023/24, bringing together the existing Beginning Theology and School of Theology courses offered by SMC and SPTC to focus on one introductory offering. The new provision offers in-person teaching on Thursday evenings at the London Centre, and online teaching on Tuesday evenings. Each delivers three modules per year which can be taken as stand alone modules or students may sign up for a full year, with in-person and online offering different but complementary modules to increase the resource available. The redeveloped programme has had a strong re-launch, with over 350 students signing up for Term 1 modules in Autumn 2023 (153 online, 196 in-person), 90% of whom having not studied at St Mellitus College before.

We are also very pleased and thankful that the McDonald Agape Foundation have renewed their agreement for a further four years to continue to support Jane Williams as the McDonald Professor in Christian Theology and additionally to establish former Archbishop Rowan Williams as the McDonald Distinguished Emeritus Professor in Theology.

Launching in September 2023, the College has agreed to a pilot year of hosting a scriptorium at the London Centre, funded by the McDonald Agape Foundation, following a similar model already established at Pusey House in Oxford. Scriptorium is a place for postgraduate students to study within a structured framework of prayer, fellowship, and discussion.

2025 marks the 1700th anniversary of the Council of Nicea and we are extremely grateful that the McDonald Agape Foundation has agreed to fund a programme of events to mark this milestone.

During the last year the bishops of the dioceses of Truro and Exeter have conducted a review of theological training in their dioceses and we await the outcome of this review and its impact on our Plymouth delivery centre.

The College underwent its Periodic External Review (PER) as part of the Church of England's quality assurance for its ministerial training institutions in October/November 2023. We have received an initial note indicating the report's likely headlines, which is expected to be positive, with much to commend and the recommendations – of which, given the scale and complexity of the institution, there will likely be a fair number – are expected to be more developmental than remedial. We are awaiting the full report in January 2024.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name:	St Mellitus College Trust
Charity registration number:	1094157
Company registration number:	4546328
Principal Address and Registered Office	24 Collingham Road London SW5 0LX
Website	www.stmellitus.ac.uk

Advisers

Auditors:	Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP
Solicitors:	Winkworth Sherwood, Arbor, 255 Blackfriars Rd, London SE1 9AX
Bankers:	Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ NatWest Bank plc, 55 Kensington High Street, London W8 5ZG CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of company law. The trustees and officers serving during the year and since the year end were as follows together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) [also Member]	
The Right Reverend Doctor G Francis-Dehqani (Bishop of Chelmsford) [also Member]	
The Reverend R Coates (Representative of St Paul's Theological Centre - also Member)	
The Venerable C Burke	Bishop of Chelmsford - from 16 th January 2023
Mrs C Butcher	St Paul's Theological Centre - from 1 st October 2023
The Reverend Dr S Prentis	Joint - from 1 st May 2023
Sir H Sants	Bishop of London
The Reverend Dr B Sargent	General Synod
Mrs R Stewart	St Paul's Theological Centre - to 30 th April 2023
The Right Reverend Dr G Tomlin (President)	
Mr A Winther	Joint
The Reverend K Wharton	Joint

Key management personnel

The Trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Russell Winfield) together with the Dean of Ministry (Reverend Canon Doctor Sharon Prentis - to March 2023), the Academic Dean (Doctor Sara Schumacher) and the Chief Operating Officer (Mrs Tilly Bacon) together with the Bursar (Reverend Neil Taylor).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on 26th September 2002 and registered as a charity on 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 15th June 2019 further new Memorandum and Articles of Association were adopted incorporating new procedures for nominating and appointing trustees for the Charity.

Appointment of Trustees

The directors of the charitable company (“the charity”) are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on 15th June 2019 the Trustees consist of at least three but not more than thirteen individuals nominated to serve as follows: The Bishop of Chelmsford, The Bishop of London, a Trustee representative of St Paul's Theological Centre (together constituting the Members), one trustee nominated by each of the Members, one trustee nominated by the General Synod of the Church of England, no more than five further Trustees appointed jointly and unanimously by the Members and the President for the time being of the College.

Trustee Induction and Training

The Members and Senior Team liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the Trustees according to defined procedures.

Pay and remuneration of senior staff

The Dean (who is remunerated by St Paul’s Theological Centre) is remunerated as an Archdeacon in the Diocese of London; one Assistant Dean is remunerated according to the Archbishops’ Council of the Church of England’s published remuneration scale for ordained college staff (the “Lichfield Scale”) and the other, non-ordained, Assistant Dean is remunerated by St Paul’s Theological Centre.

Related Parties

All the Trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 8 to the Financial Statements.

Risks and uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 20th December 2023 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

St Mellitus College Trust

Statement of Corporate Governance and Internal Control for the year ended 31 July 2023

The College's framework of governance is established in its Memorandum and Articles of Association. The College is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee) and the Higher Education Code of Governance issued by the Committee of College Chairs.

In adopting this Code of Governance, the College is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The College maintains a register of interest of members of the Board of Trustees which is available for inspection.

Charitable Status

The College is a Registered Charity (No 1094157) and a Company Limited by Guarantee (No 4546328) and is regulated by the Office for Students (OfS). The College received notification of its successful application for registration with the OfS in March 2019. For the purposes of Company Law, the Trustees are the Company's Directors. The charitable purposes of the College as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The Board of Trustees

The Board of Trustees oversees the activities of the College and determines its strategic direction. The specific powers of the Board are set out in the Memorandum and Articles.

The Board has a duty to enable the College to develop its vision and strategy and to achieve success in achieving its objectives. In doing this, it always seeks to safeguard and protect the reputation of the College.

The Board has a formal function to hold the Dean to account for the effective management of the College. The Board is a steering body and fundamentally serves to add value to the College's affairs, by offering independent, expert input to and constructive challenge of the decisions of the College management.

The Board has formal decision-making responsibility in a number of key areas, including the approval of the College's Strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the College are the appointment and performance management of the Dean and other senior post holders, adoption of its annual Financial Statements, budgets, financial forecasts and the appointment of the College's external auditors.

The Board is responsible for approving annual returns to the Office for Students as required.

The Board of Trustees comprises members from outside the College as laid out in the Articles of Association which also defines the chairing arrangements.

Conduct of business

The Board has a minimum of three meetings per year. The formal Board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key College events. This helps to ensure that Trustees are part of the wider community of the College and that they are fully briefed on the activities of and challenges and opportunities facing the College.

There is a clear division of responsibility in that the role of Chair of the Board of Trustees is separated from the role of the College's Dean.

The Board has a number of standing committees to help it discharge its business effectively:

Audit and Risk Committee

The Audit and Risk Committee meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Committee reports to the Board on the adequacy and effectiveness of the College's arrangements for:

- Risk management, control and governance
- Financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of trustees' responsibilities as reported in the annual financial statements)
- Economy, efficiency and effectiveness (Value for Money)
- Data quality

It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to the regulatory requirements. While senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee and the Committee meets annually with the Auditors on their own for independent discussions.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board of Trustees on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Dean and Assistant Deans. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Dean and senior staff pay is transparent and practices are consistent with best practice. Details of remuneration for the year ended 31 July 2023 are set out in note 7 of the financial

Nominations Committee

The Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the Board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Committee

The Academic Committee offers strategic academic oversight through liaising with the senior staff that have responsibility for leadership of the academic life of the College. It seeks to maintain the high academic standards that St Mellitus College has set, as well as review and contribute to the strategic development and direction of the College in relation to academic matters and regulation.

Internal Control

The College's Board of Trustees is responsible for ensuring that the College maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Board of Trustees has delegated the day to day responsibility to the Dean, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the College's internal control and risk management:

- The Board of Trustees meets a minimum of three times a year to consider the plans and strategic direction of the College. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. The Board of Trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.
- The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the College's operations.
- An organisation-wide risk register is maintained and is available on the College's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks.
- Management accounts are presented regularly to the Board of Trustees and are regularly monitored by the Audit and Risk Committee. The annual budget and financial forecasts are also presented to the Board of Trustees.

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

These processes enable the College to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the College.

Going Concern

After reviewing detailed papers, the Board of Trustees considered, at its meeting on 20th December 2023, that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of the responsibilities of the Board of Trustees

In accordance with the College's Memorandum and Articles of Association, the Board of Trustees is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Trustees is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles, with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the Board of Trustees has ensured that:

- Suitable accounting policies are selected and applied consistently
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board of Trustees is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Trustees has taken reasonable steps to:

- Safeguard the assets of the College, prevent and detect fraud, and ensure that risk management is in place
- Ensure that the Board of Trustees' report and other information included in the Financial Statements are prepared in accordance with relevant legislation in the UK
- Secure the economical, efficient and effective management of the College's resources and expenditure;
- Ensure that the College operates an effective health and safety policy.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the College
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Trustees

Approved by the Trustees on 20th December 2023 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the charitable company") for the year ended 31 July 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 in 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual 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 our 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the 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 relating 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, 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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Adam Fullerton (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 20 December 2023

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2023

		-- Unrestricted Funds --				
		General Fund	Designated Funds (Note 13)	Restricted Funds (Note 13)	Total Funds 2023	Total Funds 2022 (Note 15)
	Note	£	£	£	£	£
INCOME	3					
Donations & Grants		16,865	0	132,928	149,793	451,599
Charitable Activity income		2,150,519	692,657	0	2,843,176	3,025,378
Investment income		11,199	0	0	11,199	560
TOTAL INCOME		2,178,583	692,657	132,928	3,004,168	3,477,537
EXPENDITURE	5					
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,094,404	774,386	120,426	2,989,216	3,182,288
Grants made		0	164,512	0	164,512	250,000
TOTAL EXPENDITURE		2,094,404	938,898	120,426	3,153,728	3,432,288
NET OPERATING INCOME / (EXPENDITURE)		84,179	-246,241	12,502	-149,560	45,249
Transfers between funds		14,722	0	-14,722	0	0
(Loss)/Gain on Pension Deficit Liability		0	0	0	0	6,473
NET INCOME / (EXPENDITURE) and net movement in funds for year	2	98,901	-246,241	-2,220	-149,560	51,722
RECONCILIATION OF FUNDS						
Total funds brought forward	15	558,009	489,565	12,826	1,060,400	1,008,678
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2023	15	656,910	243,324	10,606	910,840	1,060,400

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

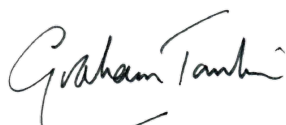
St Mellitus College Trust

Balance Sheet as at 31 July 2023

		2023	2022
	£	£	£
	Note		
FIXED ASSETS			
Intangible assets	10	8,510	17,020
Tangible assets	9	21,894	16,869
CURRENT ASSETS			
Debtors	11	139,112	108,243
Cash at bank and in hand		873,715	1,140,505
		<u>1,012,827</u>	<u>1,248,748</u>
CREDITORS: amounts falling due within one year	12	<u>-132,391</u>	<u>-222,237</u>
NET CURRENT ASSETS		880,436	1,026,511
TOTAL NET ASSETS		<u><u>910,840</u></u>	<u><u>1,060,400</u></u>
UNRESTRICTED FUNDS	15	900,234	1,047,574
RESTRICTED FUNDS	15	10,606	12,826
TOTAL FUNDS		<u><u>910,840</u></u>	<u><u>1,060,400</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Trustees on 20th December 2023 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin
Company No: 4546328



Dean (Accountable Officer): Rev R Winfield

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2023

	2023 £	2023 £	2022 £	2022 £
Net cash inflow (outflow) from Operating Activities (Note A)		-261,249		-8,513
Investing Activities				
Payments to acquire tangible fixed assets		-16,740		-13,067
Payments to acquire intangible fixed assets		0		-3,962
Returns on Financing Activities				
Interest received	11,199		560	
Loans repaid	<u>0</u>		<u>-60,000</u>	
Net cash inflow / (outflow) from Financing Activities		11,199		-59,440
Increase (decrease) in Cash (Note B)		<u>-266,790</u>		<u>-84,982</u>

A) Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities	2023 £	2022 £
Operating surplus	-149,560	51,722
Interest received	-11,199	-560
Depreciation charges	11,715	11,340
Amortisation charges	8,510	8,510
(Increase)/ Decrease in debtors	-30,869	-16,432
(Decrease)/ Increase in creditors	-89,846	-46,649
Movement in Pension Deficit recovery accrual	0	-16,444
Net cash inflow / (outflow) from operating activities	<u>-261,249</u>	<u>-8,513</u>

B) Reconciliation of Net Cash Flow to Movements in Net Cash	2023 £	2022 £
Increase (decrease) in cash in the year representing change in net cash	-266,790	-84,982
Net cash at 1 August 2022	1,140,505	1,225,487
At 31 July 2023	<u>873,715</u>	<u>1,140,505</u>

C) Analysis of Changes in Net Funds	1 August 2022 £	Non-cash Changes £	Cash Flows £	31 July 2023 £
Cash at bank and in hand	1,140,505	-	-266,790	873,715
Total Net Funds	<u>1,140,505</u>	<u>-</u>	<u>-266,790</u>	<u>873,715</u>

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2023

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Incorporation

The charity is incorporated in England and Wales. It is a Company Limited by Guarantee with the liability of members in the event of liquidation being £1 each.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)) including Update Bulletin 2, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(c) Preparation of the accounts on a going concern basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to its funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Intangible assets

Website development costs are capitalised at cost and amortised over expected useful life (3 years).

(h) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(j) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 11 and 12 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

The Charity participates in the Church of England Funded Pension Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year.

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

- An average discount rate of 2.7% pa;
- RPI inflation of 3.6% (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
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in the mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31st December 2018 valuation, a recovery plan was put in place until 31st December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) were 11.9% for the period 1st January 2018 until 31st December 2020 and 7.1% for the period from 1st January 2021 until 31st December 2022. The Charity had made all required deficit recovery contributions by 31st July 2022.

As detailed above, the scheme is currently in surplus. No deficit recovery contributions are payable and no Recovery Plan is required. Due to this, the charity no longer recognises a liability in the financial statements.

The legal structure of the scheme is that if another employer were to fail, then the charity could become responsible for paying a share of that employer's pension liabilities.

(l) Judgments and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to the pension deficit liability.

2. NET INCOME FOR THE YEAR

	2023	2022
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year	10,100	7,975
- prior year under accrued	2,925	850
- Operating lease payments made in year	4,748	27,115

3. INCOME

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2023
	£	£	£	£
Income from donors				
Donations & Grants	14,365	0	67,336	81,701
Office for Students grants	0	0	65,592	65,592
Gift Aid recovered	2,500	0	0	2,500
	<u>16,865</u>	<u>0</u>	<u>132,928</u>	<u>149,793</u>
Income from charitable activities				
Course fees (see Note 4)	2,108,960	692,657	0	2,801,617
Diocesan share of staff costs	29,559	0	0	29,559
Diocesan contributions	12,000	0	0	12,000
Other income	0	0	0	0
	<u>2,150,519</u>	<u>692,657</u>	<u>0</u>	<u>2,843,176</u>
Investment income				
Bank interest	11,199	0	0	11,199
TOTAL INCOME	<u>2,178,583</u>	<u>692,657</u>	<u>132,928</u>	<u>3,004,168</u>

The comparative figures for the year ended 31st July 2022 were -

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2022
	£	£	£	£
<i>Income from donors</i>				
Donations & Grants	24,843	62,729	296,496	384,068
Office for Students grants	0	0	65,031	65,031
Gift Aid recovered	2,500	0	0	2,500
	27,343	62,729	361,527	451,599
<i>Income from charitable activities</i>				
Course fees (see Note 4)	2,310,117	668,546	0	2,978,663
Diocesan share of staff costs	34,715	0	0	34,715
Diocesan contributions	12,000	0	0	12,000
Other income	0	0	0	0
	2,356,832	668,546	0	3,025,378
<i>Investment income</i>				
Bank interest	560	0	0	560
TOTAL INCOME	2,384,735	731,275	361,527	3,477,537

4. FEES & GRANTS ANALYSIS

	Total	Total
	2023	2022
	£	£
Office for Students grant income	65,592	65,031
Ordinand fee income - taught HE awards	1,656,620	1,992,423
Ordinand fee income - non-accredited students	105,421	92,193
Ordinand fee income - fee supplement	201,478	0
Other fee income - taught HE awards	446,763	639,600
Other fee income - non-accredited & FE students	391,335	254,447
TOTAL FEE INCOME	2,867,209	3,043,694

5. EXPENDITURE

	Basis of Allocation	Total 2023	Total 2022
		£	£
Costs of College Operations -			
Staff costs (see Note 7)	Staff Time	857,151	863,493
Academic travel and training	Direct	14,345	5,540
Fieldwork and placements	Direct	1,798	-252
Visiting Speakers' Fees & expenses	Direct	14,189	13,676
Library Books and supplies	Direct	11,254	10,376
Printing, Stationery and Photocopying	Direct	2,023	2,603
Postage and Telephone	Direct	2,067	2,670
Travel, Training and staff meals	Direct	38,423	33,722
Recruitment and Relocation costs	Direct	1,680	6,414
Premises costs and rentals	Direct	102,750	90,285
Chapel	Direct	69	2,665
University fees	Direct	11,692	17,733
Residential costs	Direct	168,789	205,940
Other Catering costs	Direct	58,165	59,444
Equipment	Direct	3,938	7,575
Depreciation	Direct	11,715	11,340
Amortisation	Direct	8,510	8,510
Maintenance	Direct	0	500
Professional Charges	Direct	17,928	18,164
Bank Charges and Interest	Direct	1,751	2,005
Other administrative costs	Direct	59,293	64,897
Fee from SPTC for Educational Services	Direct	1,601,687	1,754,987
Total cost of College Operations		2,989,216	3,182,288
Grants made		164,512	250,000
TOTAL EXPENDITURE		3,153,728	3,432,288

6. TAXATION

The charitable company is exempt from corporation tax on its income and gains to the extent that they are derived from charitable activities.

7. STAFF COSTS AND NUMBERS

	General Fund	Designated Funds	Restricted Funds	2023 Total
	£	£	£	£
Salaries and wages - academic staff	93,617	260,146	0	353,763
Salaries and wages - administrative	134,458	87,100	0	221,558
Social security costs	24,440	41,013	0	65,453
Pension costs	26,544	47,916	0	74,460
Housing costs (incl. allowances)	22,389	55,649	0	78,038
Other grants and allowances	3,491	7,489	0	10,980
Healthcare costs	1,009	1,221	0	2,230
Temporary staff	2,193	270	0	2,463
Salary contributions	-41,232	20,132	69,306	48,206
	266,909	520,936	69,306	857,151

The comparative figures for the year ended 31st July 2022 were -

	General Fund	Designated Funds	Restricted Funds	2022 Total
	£	£	£	£
Salaries and wages - academic staff	156,796	229,787	0	386,583
Salaries and wages - administrative	126,916	74,268	0	201,184
Social security costs	27,663	32,885	0	60,548
Pension costs	35,731	67,592	0	103,323
Housing costs (including allowances)	25,121	60,057	0	85,178
Other grants and allowances	4,677	8,107	0	12,784
Healthcare costs	770	683	0	1,453
Salary contributions	-74,821	46,417	40,844	12,440
	302,853	519,795	40,844	863,493

No employee received emoluments of more than £60,000.

Key management personnel are remunerated in accordance with London diocesan payscales. Some of these costs are shared with St Paul's Theological Centre. See also note regarding the Head of Provider's pay below.

The average monthly head count was 24.2 staff (2022: 25.7) and the average monthly number of full time equivalent employees during the year was:

	2023	2022
	No	No
Assistant Dean /Course Directors	3.2	3.5
Tutors	7.7	8.4
Administration and support	7.8	7.1
	18.7	19.0

No Trustee received any remuneration in their capacity as a trustee from the Charity (2022: NIL)

Four Trustees incurred travel expenses of £476 in the year (2022: 1 for £97).

Key Management Personnel

The key management personnel of the Charity constitute The Dean, the two Assistant Deans and the Chief Operating Officer, three of whom are employed by St Paul's Theological Centre (SPTC).

The total employee remuneration of the individual employed by the Charity (up to March 2023 and including pensions and employer's NIC contributions) was £36,184.

We are advised by SPTC that the total employee remuneration of the three members of management employed by the SPTC (including pensions and employer's NIC contributions) was £209,936.

Head of Provider's remuneration

We are required to declare the remuneration of the Head of Provider (the college Dean). The Dean is not employed by the charity but is an employee of St Paul's Theological Centre. The following information has been provided to us by St Paul's Theological Centre -

The Dean is remunerated at the standard rate for an Archdeacon in the Diocese of London.

Annual salary	£	39,471
Employer's pension contributions (standard rate for all CofE clergy)		<u>7,940</u>
Total remuneration		<u><u>47,411</u></u>

In common with all stipendiary clergy of the Church of England, the Dean is also provided with housing.

The salary (excluding pension contributions) represents a multiple of 1.36 of the average salary for the charity as a whole.

8. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report all Trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

The Archbishops' Council - funding received of £201,478 (2022: £13,924)

The Archbishops' Council - outstanding net creditor £3,280 (2022: £2,198 debtor)

The Archbishops' Council - recharge of expenses incurred on their behalf.

London Diocesan Fund - funding received of £769,799 (2022: £829,766)

London Diocesan Fund – outstanding debtor £9,709 (2022: £5,070 creditor)

Chelmsford Diocesan Board of Finance - funding received of £213,394 (2022: £256,179)

Chelmsford Diocesan Board of Finance – outstanding debtor £4,588 (2022: £17,458)

St Paul's Theological Centre - recharge of expenses incurred on their behalf.

St Paul's Theological Centre – donation towards costs at St Jude's - £31,925 (2022: £31,310)

St Paul's Theological Centre – fee for educational services £1,601,687 (2022: £1,754,787)

St Paul's Theological Centre – year end debtor £17,918 (2022: £6,972 creditor)

St Paul's Theological Centre – grant from Contingency Fund regarding fees £164,512 (2022: £NIL)

Church Renewal Trust - grant towards repairs of spire at St Jude's £NIL (2022: £250,000)

Church Renewal Trust - funding received of £225,713 (2022: £112,650)

There were no other Related Party Transactions that require disclosure during the period.

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Office Furniture £	Computer Equipment £	Total £
Cost				
At 1st August 2022	11,025	18,791	21,082	50,898
Additions	11,364	2,026	3,350	16,740
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31st July 2023	<u>22,389</u>	<u>20,817</u>	<u>24,432</u>	<u>67,638</u>
Accumulated Depreciation				
At 1st August 2022	5,877	15,672	12,480	34,029
Charge for the year	4,528	1,966	5,221	11,715
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31st July 2023	<u>10,405</u>	<u>17,638</u>	<u>17,701</u>	<u>45,744</u>
Net Book Value				
At 31st July 2023	11,984	3,179	6,731	21,894
At 31st July 2022	5,148	3,119	8,602	16,869

10. INTANGIBLE FIXED ASSETS

	Website Development £
Cost	
At 1st August 2022	25,530
Additions	<u>0</u>
At 31st July 2023	<u>25,530</u>
Accumulated Amortisation	
At 1st August 2022	8,510
Charge for the year	<u>8,510</u>
At 31st July 2023	<u>17,020</u>
Net Book Value	
At 31st July 2023	8,510
At 31st July 2022	17,020

11. DEBTORS

	2023	2022
	£	£
Other debtors and prepayments	139,112	108,243
	<u>139,112</u>	<u>108,243</u>

12. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Sundry creditors and accruals	103,085	192,931
Deferred income	29,306	29,306
	<u>132,391</u>	<u>222,237</u>

Included in the above are amounts of £22,682 relating to pensions (2022: £40,975).

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2023 Total £
Fixed Assets	30,404	0	30,404
Current assets	1,002,221	10,606	1,012,827
Current liabilities	-132,391	0	-132,391
Net assets at 31 July 2023	<u>900,234</u>	<u>10,606</u>	<u>910,840</u>
<i>The comparative figures as at 31st July 2022 were -</i>			
Fixed Assets	33,889	0	33,889
Current assets	1,235,922	12,826	1,248,748
Current liabilities	-222,237	0	-222,237
Net assets at 31 July 2022	<u>1,047,574</u>	<u>12,826</u>	<u>1,060,400</u>

14. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC South West Fund** records the operation of the delivery centre in Plymouth. During the year under review, the centre had an operating deficit of £54,646 which also constitutes the cumulative deficit of this centre. The adverse cash flow in the start up phase had been covered by a loan facility and guarantee over the five years to July 2022 of up to a maximum of £60k spread between the dioceses of Exeter and Truro. Under the guarantee element of this loan agreement, the cumulative deficit of £51,472 was converted into grant income in July 2022 and the balance of £8,528 was repaid to the dioceses.

The **SMC East Midlands Fund** records the operation of the delivery centres in Nottingham and Leicester. During the year under review, the centres had a deficit of £6,141 which, together with the brought forward surplus of £100,403, gives a closing surplus balance of £94,262. Any adverse cash flow in the start up phase is being covered by a loan facility and guarantee over five years of up to a maximum of £90k spread between the dioceses of Derby, Leicester and Southwell & Nottingham. The loan has not currently been drawn down.

The **Contingency Fund** had set aside the surplus achieved in the year 2021/22, as a result of savings due to the Covid-19 pandemic, to cover future shortfalls in income resulting from the consequences of the pandemic and other factors. During the current year a total of £182,963 was released from this fund with the balance expected to be released in the year 2023/24. The current year's release included a grant to SPTC of £164,512 in respect of reduced student income.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Professor of Christian Theology.

The **Durham Seedcorn Grant** was a grant made by Durham University towards the costs of a project researching the training provision for Interim Ministers.

The **Broadening Access to Theological Education Fund** is in respect of a project to develop methods to broaden access to the training of church leaders in radical new ways, drawing in more people through our innovative and world leading model of context-based training.

The **Spire Repair** was a donation from the London Diocesan Fund, being part of the proceeds of a property which they had sold, the purpose of which was to help pay off the outstanding loan from the repairs to the spire at St Jude's. The funds were onward granted to the Church Renewal Trust being the charity where the loan resided.

The **Office for Students' Capital Grant** is a grant for investment in physical infrastructure, so that it remains fit for purpose. This grant was spent on capital additions and the balance transferred to the General Fund.

The **Office for Students' Disability Grant** is a grant to support successful outcomes for disabled students.

The **Office for Students' Improving Outcomes Grant** is a grant to support undergraduate students who are deemed to be most at risk of withdrawing from their studies because of their qualifications and age profile, and who therefore require additional investment to ensure their retention and success.

The **Office for Students' Student Hardship Fund** was a special grant made by the OfS to help students suffering hardship as a result of the Covid-19 pandemic. Students were invited to apply for grants and the charity paid out the funds received to the students who were awarded a grant on behalf of the OfS.

The analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-10,837	31,726	34,218		-13,329
SMC South West	0	170,392	240,413	15,375	-54,646
SMC East Midlands	100,403	490,539	499,755	3,075	94,262
Contingency	400,000		164,512	-18,450	217,038
	<u>489,566</u>	<u>692,657</u>	<u>938,898</u>	<u>0</u>	<u>243,325</u>
<u>Restricted Funds</u>					
Dean's Discretionary	7,826	3,030	250		10,606
McDonald Professor	5,000	35,000	40,000		0
Broadening Access	0	29,306	29,306		0
OfS Capital Grant	0	14,722		-14,722	0
OfS Disability Grant	0	5,658	5,658		0
OfS Hardship Fund	0	2,085	2,085		0
Ofs Improving Outcomes	0	43,127	43,127		0
	<u>12,826</u>	<u>132,928</u>	<u>120,426</u>	<u>-14,722</u>	<u>10,606</u>

The comparative figures for the year ended 31st July 2022 were -

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-4,888	24,350	30,299		-10,837
SMC South West	-3,548	242,854	239,306		0
SMC East Midlands	136,216	464,071	499,885		100,403
Contingency	400,000				400,000
	<u>527,780</u>	<u>731,275</u>	<u>769,490</u>	<u>0</u>	<u>489,566</u>
<u>Restricted Funds</u>					
Dean's Discretionary	7,531	2,635	2,340		7,826
McDonald Professor	5,000	35,000	35,000		5,000
Durham Seedcorn Grant	571	3,000	3,571		0
Broadening Access	0	5,861	5,861		0
Spire Repair	0	250,000	250,000		0
OfS Capital Grant	0	17,406		-17,406	0
OfS Disability Grant	0	6,746	6,746		0
Ofs Improving Outcomes	0	40,879	40,879		0
	<u>13,102</u>	<u>361,527</u>	<u>344,397</u>	<u>-17,406</u>	<u>12,826</u>

16. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2023	2022
	£	£
Within 1 year	2,680	2,680
2 - 5 years	223	223
More than 5 years	<u>0</u>	<u>0</u>
	<u>2,903</u>	<u>2,903</u>

17. SoFA COMPARATIVE FIGURES

The comparative figures for the Statement of Financial Activities for the year ended 31st July 2022 are as follows-

-- Unrestricted Funds --				
	General Fund	Designated Funds	Restricted Funds	Total Funds 2022
	£	£	£	£
INCOME				
Donations & Grants	27,343	62,729	361,527	451,599
Charitable Activity income	2,356,832	668,546	0	3,025,378
Investment income	560	0	0	560
TOTAL INCOME	2,384,735	731,275	361,527	3,477,537
EXPENDITURE				
<i>Expenditure on charitable activities:</i>				
Operation of college courses	2,318,401	769,490	94,397	3,182,288
Grants made	0	0	250,000	250,000
TOTAL EXPENDITURE	2,318,401	769,490	344,397	3,432,288
NET OPERATING INCOME / (EXPENDITURE)	66,334	-38,215	17,130	45,249
Transfers between funds	17,406	0	-17,406	0
Gain on Pension Deficit Liability	6,473	0	0	6,473
NET INCOME / (EXPENDITURE) and net movement in funds	90,213	-38,215	-276	51,722
RECONCILIATION OF FUNDS				
Total funds brought forward	467,796	527,780	13,102	1,008,678
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2022	558,009	489,565	12,826	1,060,400

ST MELLITUS COLLEGE TRUST

England & Wales - Charity number 1094157

Accounts



St Mellitus College Trust

Annual Report & Financial Statements

Year Ended 31 July 2022

Charity number: 1094157

Company number: 4546328

St Mellitus College Trust

(A company limited by guarantee)

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St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2022

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2022 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2.

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part time ordination training course (“the Course”), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered in Plymouth, Nottingham and Leicester and also an entry level course under the title of 'Beginning Theology'.

In seeking to measure success the charity primarily looks to the recruitment levels for its programme which are mostly driven by word of mouth recommendations from existing students. Although student numbers in the year under review are marginally (9%) down on the previous year, this is thought to be a consequence of the Covid pandemic rather than any other factor.

We also have extensive student feedback processes and since the academic year 2016/17 have been participating in the National Student Survey. We are subject to regular scrutiny by the Quality Assurance Agency for Higher Education who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning “the Advancement of Religion for the Public Benefit” published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity’s

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Blackburn, Carlisle, Chester, Liverpool, Manchester, Truro, Exeter, Southwell & Nottingham, Leicester and Derby and also further afield by and in -

- the provision of public rituals and ceremonies
- the cure of souls and the moral and spiritual improvement of the public
- the provision of comfort to the bereaved
- contributing towards a better society, by promoting social cohesion and social capital, for example by supporting matrimony

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The Trustees would particularly wish to pay tribute to Miss Rosie Allard who has served as the College's London based volunteer librarian since 2013 and who sadly died in November 2021. Rosie made a very significant contribution to the life and development of the college and will be much missed.

ACHIEVEMENTS AND PERFORMANCE

In the year under review there have been a number of matters of particular significance to affect the college-

- As noted previously, a new Senior Team came into being during the 2020/21 academic year. During the year under review this new team has been bedding into its role.
- The previous two years having been impacted by the Covid-19 pandemic with in-person meeting being extremely restricted, we were glad to be able to resume in-person teaching and meeting. There was, however, one consequence of the enforced lockdown which presented an element of challenge - the final year students (who usually provide leadership and guidance to the incoming students) had only experienced a few months of 'normal' college life before everything was transferred on line. There was therefore a loss of institutional memory that had to be rebuilt.
- As noted in previous reports, the bishops of the North West region decided that they would establish their own Theological Education Institution - Emmanuel Theological College (ETC) to train their ordinands as from the beginning of the 2021-22 academic year and would no longer use St Mellitus College, North West. Consequently, as at 31st July 2021, students were transferred to the new college and also the staff team of St Mellitus College, North West were TUPEd across to ETC. As ETC had not gained recognition by the Office for Students we made arrangements for a teach out programme for a few students for the 2021-22 academic year in addition to running the final year of the MA in Christian Leadership programme.

Other matters of achievement and performance are noted as follows -

The Course is run on a part-time basis usually over three years for Anglican candidates, to study towards graduation and ordination. In addition there are a number of Licenced Lay Ministry candidates and independent students following this pathway. The students are normally required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting both ordinands and independent students.

The College has continued to develop the Peter Stream which is a discernment pathway towards Church of England ordination for leaders who have faced exclusion for reasons of ethnicity, social background or education. The scheme is a one-year programme that runs in conjunction with a discernment process. The College provides training, study and pastoral support.

Having run a pilot in the previous year, the College launched the Caleb Stream - a discernment pathway towards Church of England ordination for mature lay leaders with leadership experience, enabling them to train for the diaconate within one year. With often one priest assigned to serve multiple rural parishes, this stream aims to train and mobilise a generation to serve in parishes across the UK. In this first year there were ten students following this programme.

Our delivery centre in Plymouth which opened in September 2017 and covers the region of the dioceses of Exeter and Truro, with additional students coming from the diocese of Bath and Wells, had a total of 32 students (2020/21: 32) in the year under review. We are finding recruitment for this centre challenging, with more ordinands being on two year pathways rather than the three year pathway which is normal for our model of training. Despite these challenges, we are committed to establishing this centre as a viable resource for the region in which it is set.

Our new delivery centre in Nottingham, which opened in September 2019, was in its third year during the period under review which means that it now has a full three cohorts of students. There were a total of 61 students (2020/21: 56) and the centre is rapidly establishing itself as a key part of the College. In addition a new satellite delivery centre in Leicester was opened in September 2021 to provide part time ordination training for three local dioceses. There were 7 students here in the first year.

St Paul's Theological Centre (SPTC), our partner constituent member, has a lease on the former church of St Jude, Courtfield Gardens in Earls Court which it operates as the London base for the College. During 2018 SPTC had to spend, via an associated charity (Church Renewal Trust - CRT), some £1.2m on repairs to the stonework of the church spire which was found to be in a dangerous state. The charity succeeded in raising grants and gifts towards the repayment of this cost in the year 2018/19 leaving a balance outstanding of £700k. This debt has been covered partly from SPTC reserves, partly from the reserves of the PCC of the parish of Holy Trinity Brompton and partly by a loan from the Diocese of London which needs to be repaid. In 2020/21 the Charity was able to make a grant to CRT of £225k as a result of savings made during the Covid-19 pandemic. During the year under review, the Charity received a grant of £250k from the Diocese of London, being part of the proceeds of a property which they sold. This grant was passed on to CRT so that part of the loan could be repaid. SPTC having made grants to CRT of £70k in each of the two preceding years, the outstanding balance on the loan now stands at £85k.

In all this year, including SPTC students, the College had 282 ordinands (2020/21: 349 including 52 in the North West) in training and delivered accredited courses to more than 220 other students.

Following the completion of both the June and November exam boards, the class of 2022 included 177 students who graduated with undergraduate awards validated by one or other of our two partner universities with 2 being first class awards. In addition, 44 students graduated with postgraduate awards with 5 of these being awarded distinctions.

The 'Beginning Theology' course continues to thrive. In the Summer Term of 2021 there were 22 (2021: 25) students enrolled plus 16 Peter Stream students. This course is intended as a route into higher education for those with limited previous educational experience. Since establishing this course in 2009 a significant number of former students have gone on to study at a higher level with some now having been ordained as Church of England ministers. The course is now available as either an in-person option or alternatively on-line.

Most of our academic programmes are validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. Some other awards, notably the Youth Ministry programme and the MA in Christian Leadership are validated by Middlesex University. However in November 2021 we notified Middlesex University of our intention to withdraw from our Validation Agreement with them. We are now conducting a teach out programme for those students still registered on those programmes. This means that, going forward, all our programmes will be validated by Durham University.

On 9th September 2020 we signed an agreement with Durham University which gives us the ability to offer a PhD programme. Under this arrangement, the students are Durham University students but the College shares in the supervision arrangements. At this time no students have enrolled on the programme.

In addition to the formal academic programmes, the College is increasingly being used as a theological resource throughout the regions that it serves. For example, the Diocese of London is involving the College in its Continuing Ministerial Education programme. We have also established an Alumni Association in order that we can maintain contact with former students and that we can continue to resource them theologically as they utilise their learning in the wider church.

Since March 2019 the college has been regulated by the Office for Students (OfS). The college is a Registered Provider of Higher Education in the Approved (Fee Cap) category.

The College continued its engagement with the National Student Survey during 2022. The Overall Student Satisfaction score increased to a remarkable 93.4%, and the College scored above the national average in 24 of the 26 questions. The results feed into our Teaching Excellence Framework metrics, along with our B3 Quality Benchmarks, and provide strong evidence for the high-quality student experience and outcomes the College is continues to provide.

The Quality Assurance Agency for Higher Education (QAA) is the body tasked by the OfS with reviewing and monitoring the quality of the higher education sector. Given their new, risk based, approach to monitoring it is now some years since we have interacted with them. Details of the last review (2017) are available on the QAA website.

In November 2017 the College was subject to a Periodic External Review ("PER") performed jointly by the Ministry Division of the Church of England and the Common Awards Team of Durham University. In summary this concluded as follows -

- The reviewers found a community of learning that was buoyant and largely happy. The ethos of 'generous orthodoxy' was apparent in all our visits and encounters. Staff and students – many evangelical and/or charismatic in tradition but including a wide spectrum of Christian backgrounds – were deeply loyal to the College, positive about their learning experience and upbeat about ministry and mission in the Church of England.
- Our judgement in the end has been to have 'Confidence with Qualifications', though the 'qualifications' are there mainly because of the number of recommendations – and they are there mainly because the College's size and rapid growth makes that almost inevitable.
- The number of commendations also points to a range of strengths and good practices that are embedded in the College and which can rightly be celebrated.

Other positive indicators continue to be the fact that our drop out rates are lower than average for our sector and also that ordinands completing our programmes continue to find training posts to move into which are appropriate to the training that they have received whilst with us.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. Resulting from the fact that nearly fifty percent of current serving clergy are due to retire in the period 2015 to 2025, the national church has decided to increase target ordinand numbers by fifty percent over the next few years. This is however dependent on sufficient people putting themselves forward for this vocation.

FINANCIAL REVIEW

Despite the reduced student numbers (see above) the Charity has succeeded in achieving a small surplus of £28,119 on Unrestricted Funds before an additional gain of £6,473 on the Pension Deficit Liability. This means that Unrestricted Funds in total amount to £1,047,574 as at 31st July 2022. These Unrestricted Funds include a sum of £400,000 set aside last year in a Contingency Reserve which will be released over the next two years to cover reduced income resulting from reduced student numbers. Without this Contingency Reserve, total Unrestricted Funds would amount to £647,574. The surplus was enhanced by the write off of the loan regarding the Plymouth delivery centre - see comments below on St Mellitus, South West.

The Designated Fund for the operation of St Mellitus, South West showed a deficit for the year of £47,214 (2021: £54,853 surplus) before loans written off as a result of the guarantee from the local dioceses. When this centre was opened loans totalling £60,000 were given by the local Dioceses of Exeter and Truro to cover the negative cash flow in the start up phase. The loan agreement included a guarantee element to cover any cumulative deficit at the end of the initial five year period up to a maximum of £60,000. 31st July 2022 marked the end of that five year period and the cumulative deficit amounted to £51,472. This amount was written off the loan as covered by the guarantee and the balance of the loans is being returned to the dioceses. This means that this fund is in balance at 31st July 2022.

The Designated Fund for St Mellitus, East Midlands shows a deficit of £35,814 (2021: £145,166 surplus) for its third year of operation which means that the cumulative surplus on this fund as at 31st July 2022 is £100,403 (2021: £136,216). Any negative cash flow during the start up period is covered by a loan facility of up to £90,000 from the three local supporting dioceses which has not had to be drawn down.

Details of movements on the other Designated and Restricted funds are shown in Note 15.

Pricing policy

Fees for Church of England ordinands are fixed for all approved theological education institutions by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses and also the Fee Cap imposed by the Office for Students.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £2,978,663 (2021: £3,572,848), of which £2,020,146 (67%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands (mostly via dioceses).

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £445,000 which compares with the current level of available unrestricted reserves of £1,047,574 (excluding fixed assets: £1,013,685). Included in these reserves are the Contingency Reserve (see above) of £400,000 being held to cover future losses resulting from the Covid-19 pandemic. Without this Contingency Reserve unrestricted reserves would be £647,574 compared to the target of £475,000.

The Financial Reporting Standard for charities (FRS 102) requires that charities have to provide for and disclose their share of any pension scheme deficit of which they are a member. The charity showed a deficit of £16,444 at 31st July 2021. During the year under review the results of the December 2021 scheme revaluation were published which show that the scheme is now in surplus. Consequently we have been able to release this provision.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of theological training and formation for the church, ordained and lay, and to develop opportunities for the variety of such training.

Having experienced a significant decline in student recruitment in September 2021, principally as a consequence of the Covid-19 pandemic, we were disappointed to experience a further decline in September 2022. The greatest decline was in the number of ordinands recruited and this is explained by a change in the selection procedure of the Church of England which did not operate as planned. The Church of England have acknowledged this problem and will be paying the College significant compensation in 2022/23. There was also a decline in independent students, partly explained by us not offering the Youth Ministry programme this year. The College is seeking to address this for the future with the creation of a number of marketing videos and other recruitment promotions. Despite this decline, the College has managed to prepare a balanced budget for 2022/23 which uses part of the Contingency Reserve which was created in 2020/21. Current projections indicate that a further draw down of Contingency Reserve funds will be required in 2023/24.

The Caleb Stream, which was launched in 2021/22, has proved to be a popular offering with 27 students signing up for this in September 2022. We are now offering it at St Mellitus, East Midlands as well as in London. We plan to continue to develop this stream.

The new part time ordinand pathway based at St Mellitus, East Midlands in Leicester is using a new hybrid model of delivery (both in-person and on-line) using experiences gained during the Covid-19 pandemic. We are exploring how this model might be used in other locations.

Our Plymouth delivery continues to struggle to recruit students. We are hopeful that the appointment of a new Centre Director will begin to address this. We are committed to developing this centre so that it becomes fully viable in terms of both student experience and finances.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: St Mellitus College Trust

Charity registration number: 1094157

Company registration number: 4546328

Principal Address and Registered Office 24 Collingham Road
London SW5 0LX

Website www.stmellitus.ac.uk

Advisers

Auditors: Moore Kingston Smith LLP, 9 Appold Street, London, EC2A 2AP

Solicitors: Winkworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB

Bankers: Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX

CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ

NatWest Bank plc, 55 Kensington High Street, London W8 5ZG

CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of company law.

The trustees and officers serving during the year and since the year end were as follows together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) [also Member]	
The Right Reverend Doctor G Francis-Dehqani (Bishop of Chelmsford) [also Member]	
The Reverend N Gumbel (Representative of St Paul's Theological Centre - also Member) - retired 31 st July 2022	
Mr J Ball	Bishop of Chelmsford - resigned 24 th February
The Reverend R Coates	Joint
The Reverend A Eleyae	Joint - resigned 11 th October 2021
The Reverend Canon L Nsenga-Ngoy	Joint - resigned 24 th February 2022
Sir H Sants	Bishop of London
The Reverend Dr B Sargent	General Synod
Mrs R Stewart	St Paul's Theological Centre
The Right Reverend Dr G Tomlin (President)	
Mr A Winther	Joint
The Reverend K Wharton	Joint

Key management personnel

The Trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Russell Winfield) together with the Dean of Ministry (Reverend Canon Doctor Sharon Prentis), the Academic Dean (Doctor Sara Schumacher) and the Chief Operating Officer (Mrs Tilly Bacon) together with the Bursar (Reverend Neil Taylor).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on 26th September 2002 and registered as a charity on 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 15th June 2019 further new Memorandum and Articles of Association were adopted incorporating new procedures for nominating and appointing trustees for the Charity.

Appointment of Trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on 15th June 2019 the Trustees consist of at least three but not more than thirteen individuals nominated to serve as follows: The Bishop of Chelmsford, The Bishop of London, a Trustee representative of St Paul's Theological Centre (together constituting the Members), one trustee nominated by each of the Members, one trustee nominated by the General Synod of the Church of England, no more than five further Trustees appointed jointly and unanimously by the Members and the President for the time being of the College.

Sir Hector Sants and Revd Benjamin Sargent retire by rotation and offer themselves for re-nomination.

Trustee Induction and Training

The Members and Senior Team liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the Trustees according to defined procedures.

Pay and remuneration of senior staff

The Dean (who is remunerated by St Paul's Theological Centre) and one Assistant Dean as ordained clergy are remunerated according to the Archbishops' Council of the Church of England's published remuneration scale for ordained college staff (the "Lichfield Scale"). The other, non-ordained, Assistant Dean is remunerated by St Paul's Theological Centre.

Related Parties

All the Trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 8 to the Financial Statements.

Risks and uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 4th January 2023 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

St Mellitus College Trust

Statement of Corporate Governance and Internal Control for the year ended 31 July 2022

The College's framework of governance is established in its Memorandum and Articles of Association. The College is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee) and the Higher Education Code of Governance issued by the Committee of College Chairs.

In adopting this Code of Governance, the College is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The College maintains a register of interest of members of the Board of Trustees which is available for inspection.

Charitable Status

The College is a Registered Charity (No 1094157) and a Company Limited by Guarantee (No 4546328) and is regulated by the Office for Students (OfS). The College received notification of its successful application for registration with the OfS in March 2019. For the purposes of Company Law, the Trustees are the Company's Directors. The charitable purposes of the College as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The Board of Trustees

The Board of Trustees oversees the activities of the College and determines its strategic direction. The specific powers of the Board are set out in the Memorandum and Articles.

The Board has a duty to enable the College to develop its vision and strategy and to achieve success in achieving its objectives. In doing this, it always seeks to safeguard and protect the reputation of the College.

The Board has a formal function to hold the Dean to account for the effective management of the College. The Board is a steering body and fundamentally serves to add value to the College's affairs, by offering independent, expert input to and constructive challenge of the decisions of the College management.

The Board has formal decision-making responsibility in a number of key areas, including the approval of the College's Strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the College are the appointment and performance management of the Dean and other senior post holders, adoption of its annual Financial Statements, budgets, financial forecasts and the appointment of the College's external auditors.

The Board is responsible for approving annual returns to the Office for Students as required.

The Board of Trustees comprises members from outside the College as laid out in the Articles of Association which also defines the charring arrangements.

Conduct of business

The Board has a minimum of three meetings per year. The formal Board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key College events. This helps to ensure that Trustees are part of the wider community of the College and that they are fully briefed on the activities of and challenges and opportunities facing the College.

There is a clear division of responsibility in that the role of Chair of the Board of Trustees is separated from the role of the College's Dean.

The Board has a number of standing committees to help it discharge its business effectively:

Audit and Risk Committee

The Audit and Risk Committee meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Committee reports to the Board on the adequacy and effectiveness of the College's arrangements for:

- Risk management, control and governance
- Financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of trustees' responsibilities as reported in the annual financial statements)
- Economy, efficiency and effectiveness (Value for Money)
- Data quality

It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to the regulatory requirements. While senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee and the Committee meets annually with the Auditors on their own for independent discussions.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board of Trustees on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Dean and Assistant Deans. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Dean and senior staff pay is transparent and practices are consistent with best practice. Details of remuneration for the year ended 31 July 2022 are set out in note 7 of the financial statements.

Nominations Committee

The Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the Board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Committee

The Academic Committee offers strategic academic oversight through liaising with the senior staff that have responsibility for leadership of the academic life of the College. It seeks to maintain the high academic standards that St Mellitus College has set, as well as review and contribute to the strategic development and direction of the College in relation to academic matters and regulation.

Internal Control

The College's Board of Trustees is responsible for ensuring that the College maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Board of Trustees has delegated the day to day responsibility to the Dean, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the College's internal control and risk management:

- The Board of Trustees meets a minimum of three times a year to consider the plans and strategic direction of the College. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. The Board of Trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.
- The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the College's operations.
- An organisation-wide risk register is maintained and is available on the College's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks.
- Management accounts are presented regularly to the Board of Trustees and are regularly monitored by the Audit and Risk Committee. The annual budget and financial forecasts are also presented to the Board of Trustees.

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

These processes enable the College to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the College.

Going Concern

After reviewing detailed papers, the Board of Trustees considered, at its meeting on 4th January 2023, that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of the responsibilities of the Board of Trustees

In accordance with the College's Memorandum and Articles of Association, the Board of Trustees is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Trustees is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles, with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the Board of Trustees has ensured that:

- Suitable accounting policies are selected and applied consistently
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board of Trustees is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.


The Board of Trustees has taken reasonable steps to:

- Safeguard the assets of the College, prevent and detect fraud, and ensure that risk management is in place
- Ensure that the Board of Trustees' report and other information included in the Financial Statements are prepared in accordance with relevant legislation in the UK
- Secure the economical, efficient and effective management of the College's resources and expenditure;
- Ensure that the College operates an effective health and safety policy.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the College
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Trustees

Approved by the Trustees on 4th January 2023 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the charitable company") for the year ended 31 July 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 in 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Annual 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 our 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the charitable company for the 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 relating 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, 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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

9 Appold Street
London
EC2A 2AP

Date: 6 January 2023

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2022

-- Unrestricted Funds --						
		General Fund	Designated Funds (Note 13)	Restricted Funds (Note 13)	Total Funds 2022	Total Funds 2021 (Note 15)
	Note	£	£	£	£	£
INCOME	3					
Donations & Grants		27,343	62,729	361,527	451,599	244,792
Charitable Activity income		2,356,832	668,546	0	3,025,378	3,621,107
Investment income		560	0	0	560	356
TOTAL INCOME		2,384,735	731,275	361,527	3,477,537	3,866,255
EXPENDITURE	5					
<i>Raising funds:</i>						
Fund raising costs		0	0	0	0	0
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,318,401	769,490	94,397	3,182,288	3,131,642
Grants made		0	0	250,000	250,000	275,000
TOTAL EXPENDITURE		2,318,401	769,490	344,397	3,432,288	3,406,642
NET OPERATING INCOME		66,334	-38,215	17,130	45,249	459,613
Transfers between funds		17,406	0	-17,406	0	0
(Loss)/Gain on Pension Deficit Liability		6,473	0	0	6,473	10,687
NET INCOME / (EXPENDITURE) and net movement in funds for year	2	90,213	-38,215	-276	51,722	470,300
RECONCILIATION OF FUNDS						
Total funds brought forward	15	467,796	527,780	13,102	1,008,678	538,378
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2022	15	558,009	489,565	12,826	1,060,400	1,008,678

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

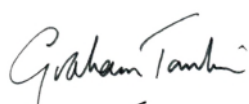
St Mellitus College Trust

Balance Sheet as at 31 July 2022

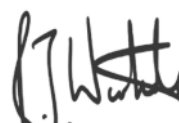
		2022		2021	
		£	£	£	£
	Note				
FIXED ASSETS					
Intangible assets	10		17,020		21,568
Tangible assets	9		16,869		15,142
CURRENT ASSETS					
Debtors	11	108,243		91,811	
Cash at bank and in hand		1,140,505		1,225,487	
		<u>1,248,748</u>		<u>1,317,298</u>	
CREDITORS: amounts falling due within one year	12	-222,237		-268,886	
Short term loans	13	0		-60,000	
		<u>0</u>		<u>-60,000</u>	
NET CURRENT ASSETS			1,026,511		988,412
NET ASSETS BEFORE PENSION DEFICIT LIABILITY			<u>1,060,400</u>		<u>1,025,122</u>
PENSION DEFICIT LIABILITY			0		-16,444
TOTAL NET ASSETS			<u><u>1,060,400</u></u>		<u><u>1,008,678</u></u>
UNRESTRICTED FUNDS	15		1,047,574		1,012,020
RESTRICTED FUNDS	15		12,826		13,102
			<u>1,060,400</u>		<u>1,025,122</u>
PENSION DEFICIT LIABILITY RESERVE			0		-16,444
TOTAL FUNDS			<u><u>1,060,400</u></u>		<u><u>1,008,678</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Trustees on 4th January 2023 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin
Company No: 4546328



Dean (Accountable Officer): Rev R Winfield

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2022

	2022	2022	2021	2021
	£	£	£	£
Net cash inflow (outflow) from Operating Activities (Note A)		-8,513		478,968
Capital Expenditure				
Payments to acquire tangible fixed assets		-13,067		-9,617
Payments to acquire intangible fixed assets		-3,962		-21,568
Returns on Investments and Servicing of Finance				
Interest received	560		356	
Loans repaid	<u>-60,000</u>		<u>0</u>	
Net cash inflow / (outflow) from Returns on Investments and Servicing of Finance		-59,440		356
Increase (decrease) in Cash (Note B)		<u><u>-84,982</u></u>		<u><u>448,139</u></u>

A) Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities	2022	2021
	£	£
Operating surplus	51,722	470,300
Interest received	-560	-356
Depreciation charges	11,340	9,024
Amortisation charges	8,510	0
(Increase)/ Decrease in debtors	-16,432	0
(Decrease)/ Increase in creditors	-46,649	0
Movement in Pension Deficit recovery accrual	-16,444	0
Net cash inflow / (outflow) from operating activities	<u><u>-8,513</u></u>	<u><u>478,968</u></u>

B) Reconciliation of Net Cash Flow to Movements in Net Cash	2022	2021
	£	£
Increase (decrease) in cash in the year representing change in net cash	-84,982	575,965
Net cash at 1 August 2021	1,225,487	649,522
At 31 July 2022	<u><u>1,140,505</u></u>	<u><u>1,225,487</u></u>

C) Analysis of Changes in Net Funds	1 August	Non-cash	Cash	31 July
	2021	Changes	Flows	2022
	£	£	£	£
Cash at bank and in hand	1,225,487	-	-84,982	1,140,505
Debt due after less than 1 year	-60,000	-	60,000	0
Total Net Funds	<u><u>1,165,487</u></u>	<u><u>-</u></u>	<u><u>-24,982</u></u>	<u><u>1,140,505</u></u>

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2022

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Incorporation

The charity is incorporated in England and Wales.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)) including Update Bulletin 2, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(c) Preparation of the accounts on a going concern basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to its funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Intangible assets

Website development costs are capitalised at cost and amortised over expected useful life (3 years).

(h) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(i) Stock

Stock is stated at the lower of cost and net realisable value.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(k) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instruments of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 11 and 12 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

The Charity participates in the Church of England Funded Pension Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the scheme is carried out once every three years. The most recent Scheme valuation was carried out as at 31st December 2021. As at the valuation date, the technical provisions were £2,160m and there was a surplus of £560m. On the gilts +0.5% low dependency measure that the Board monitors, the Scheme had a surplus of £60m. The 2021 valuation revealed an overall surplus of £560m, based on assets of £2,720m, assessed using the following assumptions-

- An average discount rate of 2.7% pa;
- The ALF discount rate has been updated on best estimate returns for the underlying asset pools and a prudent deduction from these returns.
- RPI inflation of 3.6% (and pension increases consistent with this);
- The mortality assumption has been updated to the most recent mortality tables (the Scheme specific adjustment of 90%) and future projections (the 20 extended model with a smoothing factor, S, of 7, an initial addition to mortality improvements parameter, A, of 0.5% pa, an allowance for 2020 data of 0% (ie w2020 = 0%) and a long term rate of improvement of 1.5% pa).
- Deferred revaluation and future increases in pensionable stipends are now assumed to be in line with CPIH rather than RPI, reflecting the Archbishops' Council's policy since December 2021 to increase the National Minimum Stipend by reference to CPIH increases.
- The assumption for volatility of RPI inflation has been updated to 1.5% from 1.8%.

- Members are assumed to commute 4% of their pension (in addition to their accrued cash lump sum) at terms that are 15% below the technical provisions funding reserve (before allowance for any commutation), based on recent experience This compares to an assumption of 6% which was used for the previous valuation.

- The assumed retirement scales have also been updated to reflect recent experience.

Following the 31st December 2018 valuation, a recovery plan was put in place until 31st December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) are 11.9% for the period 1st January 2018 until 31st December 2020 and 7.1% for the period from 1st January 2021 until 31st December 2022.

Following the 31st December 2021 valuation, there was a surplus of £560m. No recovery plan is

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 in the table below.

	2022	2021
	£	£
Balance sheet liability as at 1st August	16,444	50,216
Deficit contributions paid	-9,971	-24,085
Interest cost (recognised in SoFA)	-	1,000
Remaining change to the balance sheet liability * (recognised in SoFA)	-6,473	-10,687
Balance sheet liability as at 31st July	<u>0</u>	<u>16,444</u>
Total employer contributions (including deficit contributions) to this scheme were	<u>78,591</u>	<u>103,974</u>
Total number of staff in this scheme at 31st July	<u>8</u>	<u>10</u>

As detailed above, the scheme is currently in surplus. No deficit recovery contributions are payable and no Recovery Plan is required. Due to this, the charity no longer recognises a liability in the financial statements.

* The current year reduction results from the 2021 revaluation and the prior year from the reduction of the number of staff in the scheme.

Information provided by the Church of England Pensions Board is based on a December year end and these rates have been used to calculate the liability as at the 31st July in each year. In the opinion of the Trustees the difference is unlikely to be material.

The legal structure of the scheme is that if another employer were to fail then the charity could become responsible for paying a share of that employer's pension liabilities.

(I) Judgments and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to the pension deficit liability.

2. NET INCOME FOR THE YEAR

	2022	2021
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year	7,975	7,123
- prior year under accrued	850	1,085
- Operating lease payments made in year	27,115	2100

3. INCOME

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2022
	£	£	£	£
Income from donors				
Donations & Grants	24,843	62,729	296,496	384,068
Office for Students grants	0	0	65,031	65,031
Gift Aid recovered	2,500	0	0	2,500
	<u>27,343</u>	<u>62,729</u>	<u>361,527</u>	<u>451,599</u>
Income from charitable activities				
Course fees (see Note 4)	2,310,117	668,546	0	2,978,663
Diocesan share of staff costs	34,715	0	0	34,715
Diocesan contributions	12,000	0	0	12,000
Other income	0	0	0	0
	<u>2,356,832</u>	<u>668,546</u>	<u>0</u>	<u>3,025,378</u>
Investment income				
Bank interest	560	0	0	560
TOTAL INCOME	<u>2,384,735</u>	<u>731,275</u>	<u>361,527</u>	<u>3,477,537</u>

The comparative figures for the year ended 31st July 2021 were -

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2021
	£	£	£	£
<i>Income from donors</i>				
Donations & Grants	18,184	0	108,372	126,556
Office for Students grants	38,840	0	76,396	115,236
Gift Aid recovered	3,000	0	0	3,000
	<u>60,024</u>	<u>0</u>	<u>184,768</u>	<u>244,792</u>
<i>Income from charitable activities</i>				
Course fees (see Note 4)	2,472,722	1,100,126	0	3,572,848
Diocesan share of staff costs	35,208	0	0	35,208
Diocesan contributions	12,000	0	0	12,000
Other income	1,051	0	0	1,051
	<u>2,520,981</u>	<u>1,100,126</u>	<u>0</u>	<u>3,621,107</u>
<i>Investment income</i>				
Bank interest	356	0	0	356
TOTAL INCOME	<u>2,581,361</u>	<u>1,100,126</u>	<u>184,768</u>	<u>3,866,255</u>

4. FEES & GRANTS ANALYSIS

	Total	Total
	2022	2021
	£	£
Office for Students grant income	65,031	115,236
Ordinand fee income - taught HE awards	1,992,423	2,103,198
Ordinand fee income - non-accredited students	92,193	74,937
Other fee income - taught HE awards	639,600	940,950
Other fee income - non-accredited & FE students	254,447	453,764
TOTAL FEE INCOME	<u>3,043,694</u>	<u>3,688,085</u>

5. EXPENDITURE

	Basis of Allocation	Total 2022	Total 2021
		£	£
Costs of College Operations -			
Staff costs (see Note 6)	Staff Time	863,493	1,000,968
Academic travel and training	Direct	5,540	1,779
Fieldwork and placements	Direct	-252	-94
Visiting Speakers' Fees & expenses	Direct	13,676	7,793
Library Books and supplies	Direct	10,376	18,877
Printing, Stationery and Photocopying	Direct	2,603	895
Postage and Telephone	Direct	2,670	9,878
Travel, Training and staff meals	Direct	33,722	4,479
Recruitment and Relocation costs	Direct	6,414	3,493
Premises costs and rentals	Direct	90,285	62,532
Chapel	Direct	2,665	0
University fees	Direct	17,733	29,970
Residential costs	Direct	205,940	4,183
Other Catering costs	Direct	59,444	5,113
Equipment	Direct	7,575	6,831
Depreciation	Direct	11,340	9,024
Amortisation	Direct	8,510	0
Maintenance	Direct	500	0
Professional Charges	Direct	18,164	18,739
Bank Charges and Interest	Direct	2,005	1,170
Other administrative costs	Direct	64,897	78,730
Fee from SPTC for Educational Services	Direct	1,754,987	1,866,283
Total cost of College Operations		<u>3,182,288</u>	<u>3,130,642</u>
Fundraising costs		0	0
Grants made		250,000	275,000
Interest on Pension Deficit Recovery Plan		0	1,000
TOTAL EXPENDITURE		<u>3,432,288</u>	<u>3,406,642</u>

6. TAXATION

The charitable company is exempt from corporation tax on its income and gains to the extent that they are derived from charitable activities.

7. STAFF COSTS AND NUMBERS

	General Fund	Designated Funds	Restricted Funds	2022 Total
	£	£	£	£
Salaries and wages - academic staff	156,796	229,787	0	386,583
Salaries and wages - administrative	126,916	74,268	0	201,184
Social security costs	27,663	32,885	0	60,548
Pension costs	35,731	67,592	0	103,323
Housing costs (incl. allowances)	25,121	60,057	0	85,178
Other grants and allowances	4,677	8,107	0	12,784
Healthcare costs	770	683	0	1,453
Salary contributions	-74,821	46,417	40,844	12,440
	302,853	519,796	40,844	863,493

The comparative figures for the year ended 31st July 2021 were -

	General Fund	Designated Funds	Restricted Funds	2021 Total
	£	£	£	£
Salaries and wages - academic staff	153,367	262,440	41,873	457,680
Salaries and wages - administrative	127,733	110,057	0	237,790
Social security costs	31,128	35,868	0	66,996
Pension costs	33,936	54,984	0	88,920
Housing costs (including allowances)	12,219	58,133	0	70,352
Other grants and allowances	4,803	9,619	3,000	17,422
Healthcare costs	273	339	0	612
Salary contributions	-177,073	111,222	127,047	61,196
	186,386	642,662	171,920	1,000,968

No employee received emoluments of more than £60,000.

Key management personnel are remunerated in accordance with London diocesan pay scales. Some of these costs are shared with St Paul's Theological Centre. See also note regarding the Head of Provider's pay below.

The average monthly head count was 25.7 staff (2021: 31.5) and the average monthly number of full time equivalent employees during the year was:

	2022	2021
	No	No
Assistant Dean /Course Directors	3.5	3.0
Tutors	8.4	13.5
Administration and support	7.1	9.4
	19.0	25.9

No Trustee received any remuneration in their capacity as a trustee from the Charity (2021: NIL)

One Trustee incurred travel expenses of £97 in the year (2021: NIL).

Head of Provider's remuneration

We are required to declare the remuneration of the Head of Provider (the college Dean). The Dean is not employed by the charity but is an employee of St Paul's Theological Centre. The following information has been provided to us by St Paul's Theological Centre -

The Dean is remunerated at the standard rate for an Archdeacon in the Diocese of London.

Annual salary	£	38,317
Employer's pension contributions (standard rate for all CofE clergy)		<u>9,504</u>
Total remuneration		<u><u>47,821</u></u>

In common with all stipendiary clergy of the Church of England, the Dean is also provided with housing.

The salary (excluding pension contributions) represents a multiple of 1.2 of the average salary for the charity as a whole.

8. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report all Trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

- The Archbishops' Council - funding received of £13,924 (2021: £25,402)
- The Archbishops' Council - outstanding net debtor £2,198 (2021: £19,503)
- London Diocesan Fund - funding received of £829,766 (2021: £833,915)
- London Diocesan Fund – outstanding creditor £5,070 (2021: NIL)
- Chelmsford Diocesan Board of Finance - funding received of £256,179 (2021: £336,504)
- Chelmsford Diocesan Board of Finance – outstanding debtor £17,458 (2021: £5,950)
- St Paul's Theological Centre - recharge of expenses incurred on their behalf.
- St Paul's Theological Centre – donation towards costs at St Jude's - £31,310 (2021: £31,150)
- St Paul's Theological Centre – fee for educational services £1,754,787 (2021: £1,866,283)
- St Paul's Theological Centre – year end creditor £6,972 (2021: £99,760)
- St Paul's Theological Centre – grant towards general costs NIL (2021: £50,000)
- Church Renewal Trust - grant towards repairs of spire at St Jude's £150,000 (2021: £225,000)

There were no other Related Party Transactions that require disclosure during the period.

9. TANGIBLE FIXED ASSETS

	Office Equipment £	Office Furniture £	Computer Equipment £	Total £
Cost				
At 1st August 2021	6,267	16,058	15,506	37,831
Additions	4,758	2,733	5,576	13,067
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31st July 2022	<u>11,025</u>	<u>18,791</u>	<u>21,082</u>	<u>50,898</u>
Accumulated Depreciation				
At 1st August 2021	3,073	11,957	7,659	22,689
Charge for the year	2,804	3,715	4,821	11,340
Disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31st July 2022	<u>5,877</u>	<u>15,672</u>	<u>12,480</u>	<u>34,029</u>
Net Book Value				
At 31st July 2022	5,148	3,119	8,602	16,869
At 31st July 2021	3,194	4,101	7,847	15,142

10. INTANGIBLE FIXED ASSETS

	Website Development £
Cost	
At 1st August 2021	21,568
Additions	<u>3,962</u>
At 31st July 2022	<u>25,530</u>
Accumulated Amortisation	
At 1st August 2021	0
Charge for the year	<u>8,510</u>
At 31st July 2022	<u>8,510</u>
Net Book Value	
At 31st July 2022	17,020
At 31st July 2021	21,568

11. DEBTORS

	2022	2021
	£	£
Other debtors and prepayments	108,243	91,811
	<u>108,243</u>	<u>91,811</u>

12. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Sundry creditors and accruals	192,931	268,886
Deferred income	29,306	0
	<u>222,237</u>	<u>268,886</u>

Included in the above are amounts of £40,976 relating to pensions (2021: £5,963).

13. CREDITORS: Loans

In the prior year there were two interest free loans totalling £60,000 provided to cover the negative cash flow on the start up of the South West centre. The period of these loans is for a period of five years from July 2017. These loans are only repayable at the end of the five year period to the extent that the balance on the Designated Fund for the South West Centre is below the outstanding loan amount. During the year under review both loans were repaid in full.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2022 Total £
Fixed Assets	33,889	0	33,889
Current assets	1,235,922	12,826	1,248,748
Current liabilities	-222,237	0	-222,237
Net assets at 31 July 2022	<u>1,047,574</u>	<u>12,826</u>	<u>1,060,400</u>

The comparative figures as at 31st July 2021 were -

Fixed Assets	36,710	0	36,710
Current assets	1,304,196	13,102	1,317,298
Current liabilities	-268,886	0	-268,886
Long term loans	-60,000	0	-60,000
Pension Deficit Liability	-16,444	0	-16,444
Net assets at 31 July 2021	<u>995,576</u>	<u>13,102</u>	<u>1,008,678</u>

15. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC North West Fund** recorded the operations of the delivery centre based at Liverpool Cathedral. Following the closure of this centre at the end of July 2021, the balance on the fund was transferred to the General Fund.

The **SMC South West Fund** records the operation of the delivery centre in Plymouth. During the year under review, the centre had an operating deficit of £47,924 which together with a brought forward cumulative deficit of £3,548 made a cumulative deficit of £51,472 at the end of the initial five year period of the operation of this centre. The adverse cash flow in the start up phase had been covered by a loan facility and guarantee over five years of up to a maximum of £60k spread between the dioceses of Exeter and Truro. Under the guarantee element of this loan agreement, the cumulative deficit of £51,472 has been converted into grant income and the balance of £8,528 is being repaid to the dioceses.

The **SMC East Midlands Fund** records the operation of the delivery centres in Nottingham and Leicester. During the year under review, the centres had a deficit of £35,814 which, together with the brought forward balance of £136,216, gives a closing balance of £100,402. Any adverse cash flow in the start up phase is being covered by a loan facility and guarantee over five years of up to a maximum of £90k spread between the dioceses of Derby, Leicester and Southwell & Nottingham. The loan has not currently been drawn down.

The **Contingency Fund** has set aside the surplus achieved in the current year as a result of savings due to the Covid-19 pandemic to cover future shortfalls in income also resulting from the consequences of the pandemic and other development opportunities. No funds were drawn down in the current year but it is expected that the fund will be utilised in the years 2022/23 and 2023/24.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Professor of Christian Theology.

The **Durham Seedcorn Grant** is a grant made by Durham University towards the costs of a project researching the training provision for Interim Ministers.

The **Broadening Access to Theological Education Fund** is in respect of a project to develop methods to broaden access to the training of church leaders in radical new ways, drawing in more people through our innovative and world leading model of context-based training.

The **Spire Repair** was a donation from the London Diocesan Fund, being part of the proceeds of a property which they had sold, the p+B1009 purpose of which was to help pay off the outstanding loan from the repairs to the spire at St Jude's. The funds were onward granted to the Church Renewal Trust being the charity were the loan resides.

The **Generous Orthodoxy Project** was a grant from the McDonald Agape Foundation to fund a research project into the college's concept of *Generous Orthodoxy*. This project came to an end at the end of July 2021.

The **Office for Students' Capital Grant** is a grant for investment in physical infrastructure, so that it remains fit for purpose. This grant was spent on capital additions and the balance transferred to the General Fund.

The **Office for Students' Disability Grant** is a grant to support successful outcomes for disabled students.

The **Office for Students' Improving Outcomes Grant** is a grant to support undergraduate students who are deemed to be most at risk of withdrawing from their studies because of their qualifications and age profile, and who therefore require additional investment to ensure their retention and success.

The **Office for Students' Student Hardship Fund** was a special grant made by the OfS to help students suffering hardship as a result of the Covid-19 pandemic. Students were invited to apply for grants and the charity paid out the funds received to the students who were awarded a grant on behalf of the OfS.

The **McDonald Fellowship Fund** was in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Fellow. This post came to an end at the end of July 2021.

The analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-4,888	24,350	30,299		-10,837
SMC South West	-3,548	242,854	239,306		0
SMC East Midlands	136,216	464,071	499,885		100,403
Contingency	400,000				400,000
	<u>527,780</u>	<u>731,275</u>	<u>769,490</u>	<u>0</u>	<u>489,565</u>
<u>Restricted Funds</u>					
Dean's Discretionary	7,531	2,635	2,340		7,826
McDonald Professor	5,000	35,000	35,000		5,000
Durham Seedcorn Grant	571	3,000	3,571		0
Broadening Access	0	5,861	5,861		0
Spire Repair	0	250,000	250,000		0
OfS Capital Grant	0	17,406		-17,406	0
OfS Disability Grant	0	6,746	6,746		0
Ofs Improving Outcomes	0	40,879	40,879		0
	<u>13,102</u>	<u>361,527</u>	<u>344,397</u>	<u>-17,406</u>	<u>12,826</u>

The comparative figures for the year ended 31st July 2021 were -

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-4,783	22,075	22,180		-4,888
SMC North West	143,200	519,001	369,105	-293,095	0
SMC South West	-58,401	200,170	145,317		-3,548
SMC East Midlands	-8,950	358,881	213,715		136,216
Contingency	0			400,000	400,000
	<u>71,066</u>	<u>1,100,127</u>	<u>750,318</u>	<u>106,905</u>	<u>527,780</u>
<u>Restricted Funds</u>					
Dean's Discretionary	9,400	871	2,740		7,531
McDonald Professor	14,716	35,000	44,716		5,000
Durham Seedcorn Grant	571	0	0		571
Generous Orthodoxy	55,281	22,500	77,781		0
OfS Capital Grant	0	19,088		-19,088	0
OfS Disability Grant	0	6,510	6,510		0
OfS Improving Outcomes	0	43,548	43,548		0
OfS Student Hardship	0	7,250	7,250		0
McDonald Fellowship	0	50,000	50,000		0
	<u>79,968</u>	<u>184,767</u>	<u>232,545</u>	<u>-19,088</u>	<u>13,102</u>

16. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Within 1 year	2,680	25,557
2 - 5 years	223	2,903
More than 5 years	0	0
	<u>2,903</u>	<u>28,460</u>

17. SoFA COMPARATIVE FIGURES

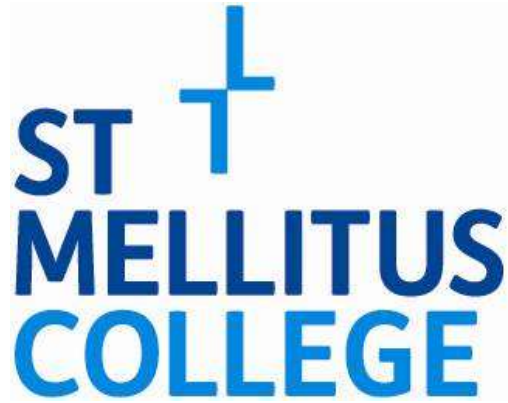
The comparative figures for the Statement of Financial Activities for the year ended 31st July 2021 are as follows-

	-- Unrestricted Funds --			
	General Fund	Designated Funds	Restricted Funds	Total Funds 2021
	£	£	£	£
INCOME				
Donations & Grants	60,024	0	184,768	244,792
Charitable Activity income	2,520,981	1,100,126	0	3,621,107
Investment income	356	0	0	356
Fund raising income	0	0	0	0
TOTAL INCOME	2,581,361	1,100,126	184,768	3,866,255
EXPENDITURE				
<i>Raising funds:</i>				
Fund raising costs	0	0	0	0
<i>Expenditure on charitable activities:</i>				
Operation of college courses	2,148,779	750,317	232,546	3,131,642
Grants made	275,000	0	0	275,000
TOTAL EXPENDITURE	2,423,779	750,317	232,546	3,406,642
NET OPERATING INCOME / (EXPENDITURE)	157,582	349,809	-47,778	459,613
Transfers between funds	-87,817	106,905	-19,088	0
Gain on Pension Deficit Liability	10,687	0	0	10,687
NET INCOME / (EXPENDITURE) and net movement in funds	80,452	456,714	-66,866	470,300
RECONCILIATION OF FUNDS				
Total funds brought forward	387,344	71,066	79,968	538,378
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2021	467,796	527,780	13,102	1,008,678

ST MELLITUS COLLEGE TRUST

England & Wales - Charity number 1094157

Accounts



St Mellitus College Trust

Annual Report & Financial Statements

Year Ended 31 July 2021

Charity number: 1094157

Company number: 4546328

St Mellitus College Trust

(A company limited by guarantee)

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St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2021

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2021 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2 (effective 1st January 2015).

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part time ordination training course (“the Course”), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered at Liverpool Cathedral (until July 2021), in Plymouth, Nottingham and Leicester and also an entry level course under the title of 'Beginning Theology'.

In seeking to measure success the charity primarily looks to the recruitment levels for its programmes. As recruitment is mostly driven by word of mouth recommendations from existing students, the ongoing level of student recruitment indicates that we continue to succeed in achieving our objectives.

We also have extensive student feedback processes and since the academic year 2016/17 have been participating in the National Student Survey. We are subject to regular scrutiny by the Quality Assurance Agency for Higher Education who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning “the Advancement of Religion for the Public Benefit” published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity’s work.

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Blackburn, Carlisle, Chester, Liverpool, Manchester, Truro, Exeter, Southwell & Nottingham, Leicester and Derby and also further afield by and in -

- the provision of public rituals and ceremonies
- the cure of souls and the moral and spiritual improvement of the public
- the provision of comfort to the bereaved
- contributing towards a better society, by promoting social cohesion and social capital, for example by supporting matrimony

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The Trustees would particularly wish to pay tribute to Miss Rosie Allard who has served as the College's London based volunteer librarian since 2013 and who sadly died in November 2021. Rosie made a very significant contribution to the life and development of the college and will be much missed.

ACHIEVEMENTS AND PERFORMANCE

In the year under review there have been three matters of particular significance to affect the college-

- As noted in last year's report, the Revd Russell Winfield was appointed to the role of College Dean and commenced in this role on the 1st September 2020. Following the resignation or retirement of both Assistant Deans and two of the Centre Directors, new people were appointed to all these roles. In addition the Director of College Operations was appointed to the new role of Chief Operating Officer. This means that the College is now under the direction of a virtually new Management Team.
- As a result of the Covid-19 pandemic, we had been required to deliver all our teaching online for the latter half of the previous academic year. We went into the year under review hoping that we would only have to deliver teaching online for the first term and that we would then be able to resume in person teaching. In the event, we had to deliver teaching online for most of the year and were only able to resume meeting in person for the last few weeks of the year. Furthermore we were unable to run any of our residential events for ordinands. Staff and students are to be commended for the way that they have adapted to this new way of working.
- As noted in previous reports, the bishops of the North West region decided that they would establish their own Theological Education Institution - Emmanuel Theological College (ETC) to train their ordinands as from the beginning of the 2021-22 academic year and would no longer use St Mellitus College, North West. During the year we have worked with the new college to ensure a smooth transition of students and have also arranged for all our staff at St Mellitus College, North West to be TUPEd across to ETC. As ETC has not gained recognition by the Office for Students we have had to make arrangements for a teach out programme for a few students for the 2021-22 academic year.

Other matters of achievement and performance are noted as follows -

The Course is run on a part-time basis usually over three years for Anglican candidates, to study towards graduation and ordination. The students are normally (when not subject to Covid restrictions) required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting good numbers of ordinands and independent students.

The College has continued to develop the Peter Stream which is a discernment pathway towards Church of England ordination for leaders who have faced exclusion for reasons of ethnicity, social background or education. The scheme is a one-year programme that runs in conjunction with a discernment process. The college provides training, study and pastoral support.

During the year under review our delivery centre at Liverpool Cathedral, covering the five north-west dioceses of Blackburn, Carlisle, Chester, Liverpool and Manchester, which opened in 2013 continued to thrive. It had a total of 84 students (2019/20: 94) on its higher education courses and also ran a local version of the *Beginning Theology* course. As noted above, this centre closed at the end of July 2021 with the exception of a small number of students on teach out programmes.

Our delivery centre in Plymouth which opened in September 2017 and covers the region of the dioceses of Exeter and Truro, with additional students coming from the diocese of Bath and Wells, had a total of 32 students (2019/20: 38) in the year under review. We are finding recruitment for this centre challenging, with more ordinands being on two year pathways rather than the three year pathway which is normal for our model of training. Despite these challenges, we are committed to establishing this centre as a viable resource for the region in which it is set.

Our new delivery centre in Nottingham, which opened in September 2019, was in its second year during the period under review. There were a total of fifty six students and the centre is rapidly establishing itself as a key part of the college.

St Paul's Theological Centre (SPTC), our partner constituent member, has a lease on the former church of St Jude, Courtfield Gardens in Earls Court which it operates as the London base for the College. During 2018 SPTC had to spend via an associated charity some £1.2m on repairs to the stonework of the church spire which was found to be in a dangerous state. The charity succeeded in raising grants and gifts towards the repayment of this cost in the year 2018/19 leaving a balance outstanding of £700k. This debt has been covered partly from SPTC reserves, partly from the reserves of the PCC of the parish of Holy Trinity Brompton and partly by a loan from the Diocese of London which needs to be repaid. Given the savings that were made as result of the Covid-19 pandemic (see financial review) the charity was able to make a grant of £225k towards this cost. This sum represents 50% of the balance left after fundraising and a promised grant from the Diocese of London.

In all this year, including SPTC students, the College had 349 ordinands in training and delivered accredited courses to more than 220 other students.

Following the completion of both the June and November exam boards, the class of 2021 included 166 students who graduated with undergraduate awards validated by one or other of our two partner universities with 8 being first class awards. In addition, 40 students graduated with postgraduate awards with 4 of these being awarded distinctions.

The 'Beginning Theology' course continues to thrive. In the Summer Term of 2021 there were 25 (2020: 28) students enrolled. This course is intended as a route into higher education for those with limited previous educational experience. Since establishing this course in 2009 a significant number of former students have gone on to study at a higher level with some now having been ordained as Church of England ministers. A version of this course was delivered during the year at the Liverpool centre.

Most of our academic programmes are validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. Some other awards, notably the Youth Ministry programme and some postgraduate provision continue to be validated by Middlesex University.

On 9th September 2020 we signed an agreement with Durham University which gives us the ability to offer a PhD programme. Under this arrangement, the students are Durham University students but the college shares in the supervision arrangements. At this time no students have enrolled on the programme.

In addition to the formal academic programmes, the College is increasingly being used as a theological resource throughout the regions that it serves. For example, the Diocese of London is involving the College in its Continuing Ministerial Education programme. We have also established an Alumni Association in order that we can maintain contact with former students and that we can continue to resource them theologically as they utilise their learning in the wider church.

The College also hosts a series of high level theological lectures which are open to the public. This year these have again been generously resourced financially by the McDonald Agape Foundation. This foundation has also made further generous gifts enabling the college to appoint the former Archbishop of Canterbury, the Most Reverend Rowan Williams, to the post of Professor of Christian Theology and also to undertake a research project under the direction of our President, the Right Reverend Doctor Graham Tomlin, into the concept of 'Generous Orthodoxy' which is a key component of the college's values.

In terms of reviewing performance against agreed objectives, the charity has maintained and developed successful delivery of full time and part time ordination training to an increased number of students. This is to the benefit of the Church of England in its drive to increase priestly vocations. The charity has also theologically trained an increased number of lay people which should facilitate a contribution towards a better society in a range of social settings.

Student numbers in the reporting period have again increased, meaning that there has been growth every year since the college was founded. Recruitment onto our Youth Ministry programme and at our South West (Plymouth) delivery centre continue to be a challenge.

Since March 2019 the college has been regulated by the Office for Students (OfS). The college is a Registered Provider of Higher Education in the Approved (Fee Cap) category.

We have again participated in the National Student Survey (NSS). This year the Overall Student Satisfaction score is 92.31%, which is a very slight reduction from last year, but is actually a more impressive result, considering the dramatic reduction of student satisfaction across the sector during the pandemic (UK average has gone down to 75.41%). St Mellitus is now scoring nearly 17 percentage points above the national average in this question.

The Quality Assurance Agency for Higher Education (QAA) is the body tasked by the OfS with reviewing and monitoring the quality of the higher education sector. Given their new, risk based, approach to monitoring it is now some years since we have interacted with them. Details of the last review (2017) are available on the QAA website.

In November 2017 the college was subject to a Periodic External Review ("PER") performed jointly by the Ministry Division of the Church of England and the Common Awards Team of Durham University. In summary this concluded as follows -

- The reviewers found a community of learning that was buoyant and largely happy. The ethos of 'generous orthodoxy' was apparent in all our visits and encounters. Staff and students – many evangelical and/or charismatic in tradition but including a wide spectrum of Christian backgrounds – were deeply loyal to the college, positive about their learning experience and upbeat about ministry and mission in the Church of England.
- Our judgement in the end has been to have 'Confidence with Qualifications', though the 'qualifications' are there mainly because of the number of recommendations – and they are there mainly because the college's size and rapid growth makes that almost inevitable.
- The number of commendations also points to a range of strengths and good practices that are embedded in the college and which can rightly be celebrated.

Other positive indicators continue to be the fact that our drop out rates are lower than average for our sector and also that ordinands completing our programmes continue to find training posts to move into which are appropriate to the training that they have received whilst with us.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. Resulting from the fact that nearly fifty percent of current serving clergy are due to retire in the period 2015 to 2025, the national church has decided to increase target ordinand numbers by fifty percent over the next few years. This is however dependent on sufficient people putting themselves forward for this vocation.

FINANCIAL REVIEW

The headlining factor affecting the charity's finances in the year under review is the consequences of the Covid-19 pandemic. As all teaching had to be on line for the whole year and we were unable to hold our normal ordinand residential events, there were considerable cost savings. In addition to the cancellation of all residential events, there were cost savings in the areas of student catering and also staff travel as it was not possible for staff to visit students in their placement contexts. This means that not only were we able to make a contribution of £225k towards the cost of the spire repairs (see above) we also made an overall surplus of £470k compared to our normal target of £40k. As a result of this and particularly in the light of the adverse consequences of the pandemic expected in future years (see Plans for Future Periods), the trustees have decided to place £400k of this surplus into a Contingency Reserve to be used against several future financial challenges, particularly the consequences of the reduced student intake in September 2021.

The charity is obliged to apply the Financial Reporting Standard (FRS 102) in preparing its financial statements. This includes a requirement for the charity to take onto its Balance Sheet its liability to contribute to the deficit recovery plan of the Church of England's Clergy Pension Scheme. As at 31st July 2021 this figure was £16,444 (31 July 2020: £50,216) and the available reserves are reduced by this amount. Excluding this liability, the total funds of the charity are £1,025,122 (31 July 2020: £588,594).

The General Fund showed a surplus for the year of £157,582 (2020: £174,184). This figure does not include pension deficit recovery contribution costs of £24,085 or the decrease in the pension deficit liability. Together with a decrease in the pension deficit liability reserve of £33,772, mainly resulting from reduced staff numbers in the scheme and the transfer to the Contingency Reserve, the reserves on the General Fund at 31st July 2021 amounted to £467,796 (2020: £387,444).

The Designated Fund for the operation of the Liverpool centre showed a surplus for the year of £149,896 (2020: £81,798). As this centre was closed on the 31st July 2021, the cumulative balance on this fund of £293,095 was transferred to the General Fund.

The Designated Fund for the operation of the Plymouth centre showed a surplus of £54,853 (2020: £741) which means that the cumulative deficit on this fund as at 31st July 2021 is £3,548 (2020: £58,401). Opening a new centre always results in significant negative cash flow in the early years, and this has been partly covered by loans totalling £60,000 at the year end from the Dioceses of Exeter and Truro. In addition these two dioceses have provided guarantees of up to £60,000 for any outstanding cumulative deficits after five years of operation of the centre.

The Designated Fund for the new Nottingham centre shows a surplus of £145,166 (2020: £8,805) for its second year of operation which means that the cumulative deficit on this fund as at 31st July 2021 is £136,216 (2020: £8,951 deficit). The negative cash flow during the start up period is covered by a loan facility of up to £90,000 from the three local supporting dioceses which has not had to be drawn down.

Details of movements on the other Designated and Restricted funds are shown in Note 13.

Pricing policy

Fees for Church of England ordinands are fixed for all approved theological education institutions by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses and also the Fee Cap imposed by the Office for Students.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £3,572,848 (2020: £3,297,758), of which £2,539,988 (71%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands (mostly via dioceses).

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £456,000 which compares with the current level of available unrestricted reserves (before the Pension Deficit Liability) of £1,012,020 (excluding fixed assets: £975,310). Included in these reserves are the Contingency Reserve (see above) of £400,000 being held to cover future losses resulting from the Covid-19 pandemic. Without this Contingency Reserve unrestricted reserves would be £612,020 compared to the target of £456,000.

The Financial Reporting Standard for charities (FRS 102) requires that charities have to provide for and disclose their share of any pension scheme deficit of which they are a member. The charity is showing a deficit of £16,444 at 31st July 2021 (2020: £50,216). Additional contributions are being paid to the Church of England Funded Pension Scheme in order to reduce the deficit to zero by the 31st December 2022 as detailed in the Accounting Policies note. In accordance with Charity Commission guidance, the pension deficit liability is not included in the calculation of free reserves as the impact on the charity's cash flow is not immediate. This liability reduced significantly as a result of the 2018 revaluation of the scheme.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of training for future church ministers, both ordained and lay, and to develop opportunities for and the variety of such training.

The most significant factor affecting the immediate future of the college is the significant reduction in student recruitment experienced in September 2021 - a decline of 20% over the previous year compared with a 5% decline over the whole higher education sector. It is believed that this decline is a consequence of the Covid-19 pandemic as the whole recruitment cycle, including open days, was conducted online and also the Church of England's ordinand selection process was also entirely online. We are expecting numbers to recover in September 2022. As detailed in the Financial Review, we will be able to use the Contingency Reserve to cover the reduced fees that this decline will cause over the next three years.

Following an initial experiment over the last two years, a new pathway has been launched with an intake of 10 candidates in September 2021. The Caleb Stream is a discernment pathway towards Church of England ordination for mature lay leaders with leadership experience, enabling them to train for the diaconate within one year. With often one priest assigned to serve multiple rural parishes, this stream aims to train and mobilise a generation to serve in parishes across the UK."

The Peter Stream continues to grow with September 2021 seeing an intake of 28 candidates. This growth is expected to further accelerate in the years ahead.

The delivery centre in Nottingham took in its third cohort of students in September 2021 and it is now established as a key part of the college. We hope that student numbers will grow further as St Mellitus College, East Midlands becomes better known and respected in the region.

At the request of the Bishops of Derby, Leicester and Southwell & Nottingham, St Mellitus College, East Midlands has started offering a part time, course based, ordinand training pathway based in Leicester as from September 2021. This started with a cohort of eight ordinands. Utilising the experiences from online delivery gained during the pandemic, we are trialling a hybrid model of delivery which doesn't require students to attend in person every week. Some of the London based, Caleb Stream students are engaging with the online elements of this hybrid model. We are hopeful that this Leicester delivery centre will attract some independent students as well as the ordinands.

Our Plymouth delivery continues to struggle to recruit students. We are hopeful that the appointment of a new Centre Director will begin to address this. We are committed to developing this centre so that it becomes fully viable in terms of both student experience and finances.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name: St Mellitus College Trust

Charity registration number: 1094157

Company registration number: 4546328

Principal Address and Registered Office 24 Collingham Road
London SW5 0LX

Website www.stmellitus.ac.uk

Advisers

Auditors: Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Solicitors: Winkworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB
Bankers: Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX
CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ
NatWest Bank plc, 55 Kensington High Street, London W8 5ZG
CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of company law. The trustees and officers serving during the year and since the year end were as follows together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) [also Member]
The Right Reverend Doctor G Francis-Dehqani (Bishop of Chelmsford) [also Member] - from 11th March 2021
The Right Reverend P Hill (Acting Bishop of Chelmsford) [also Member] - until 11th March 2021
The Reverend N Gumbel (Representative of St Paul's Theological Centre - also Member)

Mr J Ball	Bishop of Chelmsford
The Reverend R Coates	Joint
The Reverend A Eleyae - resigned 11 th October 2021	Joint
The Reverend Canon L Nsenga-Ngoy	Joint
Sir H Sants	Bishop of London
The Reverend Dr B Sargent	General Synod
Mrs R Stewart	St Paul's Theological Centre
The Right Reverend Dr G Tomlin (President)	
Mr A Winther	Joint
The Reverend K Wharton	Joint

Key management personnel

The Trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Russell Winfield) together with the Dean of Ministry (Reverend Canon Doctor Sharon Prentis), the Academic Dean (Doctor Sara Schumacher) and the Chief Operating Officer (Mrs Tilly Bacon) together with the Bursar (Reverend Neil Taylor).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on the 26th September 2002 and registered as a charity on the 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 15th June 2019 further new Memorandum and Articles of Association were adopted incorporating new procedures for nominating and appointing trustees for the Charity.

Appointment of Trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on the 15th June 2019 the Trustees consist of at least three but not more than thirteen individuals nominated to serve as follows: The Bishop of Chelmsford, The Bishop of London, a Trustee representative of St Paul's Theological Centre (together constituting the Members), one trustee nominated by each of the Members, one trustee nominated by the General Synod of the Church of England, no more than five further Trustees appointed jointly and unanimously by the Members and the President for the time being of the College.

Revd Canon Lusa Nsenga-Ngoy, Mr Angus Winther and Revd Kate Wharton retire by rotation and offer themselves for re-nomination.

Trustee Induction and Training

The Joint Chairs of the Trustees liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the Trustees according to defined procedures.

Pay and remuneration of senior staff

The Dean (who is remunerated by St Paul's Theological Centre) and one Assistant Dean as ordained clergy are remunerated according to the Archbishops' Council of the Church of England's published remuneration scale for ordained college staff (the "Lichfield Scale"). The other, non-ordained, Assistant Dean is remunerated by St Paul's Theological Centre.

Related Parties

All the Trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 7 to the Financial Statements.

Risks and uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 24th February 2022 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

St Mellitus College Trust

Statement of Corporate Governance and Internal Control for the year ended 31 July 2021

The College's framework of governance is established in its Memorandum and Articles of Association. The College is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee) and the Higher Education Code of Governance issued by the Committee of College Chairs.

In adopting this Code of Governance, the College is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The College maintains a register of interest of members of the Board of Trustees which is available for inspection.

Charitable Status

The College is a Registered Charity (No 1094157) and a Company Limited by Guarantee (No 4546328) and is regulated by the Office for Students (OfS). The College received notification of its successful application for registration with the OfS in March 2019. For the purposes of Company Law, the Trustees are the Company's Directors. The charitable purposes of the College as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The Board of Trustees

The Board of Trustees oversees the activities of the College and determines its strategic direction. The specific powers of the Board are set out in the Memorandum and Articles.

The Board has a duty to enable the College to develop its vision and strategy and to achieve success in achieving its objectives. In doing this, it always seeks to safeguard and protect the reputation of the College.

The Board has a formal function to hold the Dean to account for the effective management of the College. The Board is a steering body and fundamentally serves to add value to the College's affairs, by offering independent, expert input to and constructive challenge of the decisions of the College management.

The Board has formal decision-making responsibility in a number of key areas, including the approval of the College's Strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the College are the appointment and performance management of the Dean and other senior post holders, adoption of its annual Financial Statements, budgets, financial forecasts and the appointment of the College's external auditors.

The Board is responsible for approving annual returns to the Office for Students as required.

The Board of Trustees comprises members from outside the College as laid out in the Articles of Association which also defines the charring arrangements.

Conduct of business

The Board has a minimum of three meetings per year. The formal Board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key College events. This helps to ensure that Trustees are part of the wider community of the College and that they are fully briefed on the activities of and challenges and opportunities facing the College.

There is a clear division of responsibility in that the role of Chair of the Board of Trustees is separated from the role of the College's Dean.

The Board has a number of standing committees to help it discharge its business effectively:

Audit and Risk Committee

The Audit and Risk Committee meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Committee reports to the Board on the adequacy and effectiveness of the College's arrangements for:

- Risk management, control and governance
- Financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of trustees' responsibilities as reported in the annual financial statements)
- Economy, efficiency and effectiveness (Value for Money)
- Data quality

It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to the regulatory requirements. While senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee and the Committee meets annually with the Auditors on their own for independent discussions.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board of Trustees on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Dean and Assistant Deans. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Dean and senior staff pay is transparent and practices are consistent with best practice. Details of remuneration for the year ended 31 July 2021 are set out in note 6 of the financial statements.

Nominations Committee

The Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the Board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Committee

The Academic Committee offers strategic academic oversight through liaising with the senior staff that have responsibility for leadership of the academic life of the College. It seeks to maintain the high academic standards that St Mellitus College has set, as well as review and contribute to the strategic development and direction of the College in relation to academic matters and regulation.

Internal Control

The College's Board of Trustees is responsible for ensuring that the College maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Board of Trustees has delegated the day to day responsibility to the Dean, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the College's internal control and risk management:

- The Board of Trustees meets a minimum of three times a year to consider the plans and strategic direction of the college. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. The Board of Trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.
- The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the College's operations.
- An organisation-wide risk register is maintained and is available on the College's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks.
- Management accounts are presented regularly to the Board of Trustees and are regularly monitored by the Audit and Risk Committee. The annual budget and financial forecasts are also presented to the Board of Trustees.

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

These processes enable the College to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the College.

Going Concern

After reviewing detailed papers, the Board of Trustees considered, at its meeting on 13 October 2021, that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of the responsibilities of the Board of Trustees

In accordance with the College's Memorandum and Articles of Association, the Board of Trustees is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Trustees is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles, with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the Board of Trustees has ensured that:

- Suitable accounting policies are selected and applied consistently
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board of Trustees is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Trustees has taken reasonable steps to:

- Safeguard the assets of the College, prevent and detect fraud, and ensure that risk management is in place
- Ensure that the Board of Trustees' report and other information included in the Financial Statements are prepared in accordance with relevant legislation in the UK
- Secure the economical, efficient and effective management of the College's resources and expenditure;
- Ensure that the College operates an effective health and safety policy.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the College
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Trustees

Approved by the Trustees on 24th February 2022 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the charitable company") for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Directions have been met.

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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that 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 annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 in 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' annual 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 our 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the 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 relating 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 it 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 aggregate, they could be 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, UK financial reporting standards as issued by the Financial Reporting Council and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, 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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 24 February 2022

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2021

		-- Unrestricted Funds --			Total Funds	Total Funds
		General	Designated	Restricted	2021	2020
		Fund	Funds	Funds		
			(Note 13)	(Note 13)		(Note 15)
	Note	£	£	£	£	£
INCOME	3					
Donations & Grants		60,024	0	184,768	244,792	320,758
Charitable Activity income		2,520,981	1,100,126	0	3,621,107	3,345,037
Investment income		356	0	0	356	1,044
Fund raising income		0	0	0	0	21,000
TOTAL INCOME		2,581,361	1,100,126	184,768	3,866,255	3,687,839
EXPENDITURE	4					
<i>Raising funds:</i>						
Fund raising costs		0	0	0	0	1,269
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,148,779	750,317	232,546	3,131,642	3,321,162
Grants made		275,000	0	0	275,000	66,464
TOTAL EXPENDITURE		2,423,779	750,317	232,546	3,406,642	3,388,895
NET OPERATING INCOME		157,582	349,809	-47,778	459,613	298,944
Transfers between funds		-87,817	106,905	-19,088	0	0
(Loss)/Gain on Pension Deficit Liability		10,687	0	0	10,687	95,790
NET INCOME / (EXPENDITURE) and net movement in funds for year	2	80,452	456,714	-66,866	470,300	394,734
RECONCILIATION OF FUNDS						
Total funds brought forward	14	387,344	71,066	79,968	538,378	143,644
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2021	14	467,796	527,780	13,102	1,008,678	538,378

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

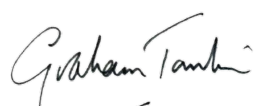
St Mellitus College Trust

Balance Sheet as at 31 July 2021

		2021	2020
	£	£	£
	Note		
FIXED ASSETS			
Intangible assets	9	21,568	-
Tangible assets	8	15,142	14,549
CURRENT ASSETS			
Debtors	10	91,811	129,047
Cash at bank and in hand		1,225,487	649,522
		<u>1,317,298</u>	<u>778,569</u>
CREDITORS: amounts falling due within one year	11	-268,886	-144,524
Short term loans	12	-60,000	-
		<u>988,412</u>	<u>634,045</u>
NET CURRENT ASSETS			
		988,412	634,045
CREDITORS: amounts falling due after more than one year			
- Long term loans	12	-	-60,000
NET ASSETS BEFORE PENSION DEFICIT LIABILITY		<u>1,025,122</u>	<u>588,594</u>
PENSION DEFICIT LIABILITY		-16,444	-50,216
TOTAL NET ASSETS		<u><u>1,008,678</u></u>	<u><u>538,378</u></u>
UNRESTRICTED FUNDS	13	1,012,020	508,626
RESTRICTED FUNDS	13	13,102	79,968
		<u>1,025,122</u>	<u>588,594</u>
PENSION DEFICIT LIABILITY RESERVE		-16,444	-50,216
TOTAL FUNDS		<u><u>1,008,678</u></u>	<u><u>538,378</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Trustees on 24th February 2022 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin
Company No: 4546328



Dean (Accountable Officer): Rev R Winfield

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2021

	2021 £	2021 £	2020 £	2020 £
Net cash inflow (outflow) from Operating Activities (Note A)		606,794		335,228
Capital Expenditure				
Payments to acquire tangible fixed assets		-9,617		-14,931
Payments to acquire intangible fixed assets		-21,568		-
Returns on Investments and Servicing of Finance				
Interest received	<u>356</u>		<u>1,044</u>	
Net cash inflow from Returns on Investments and Servicing of Finance		356		1,044
Increase in Cash (Note B)		<u>575,965</u>		<u>321,341</u>

A) Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities	2021 £	2020 £
Operating surplus	470,300	394,734
Interest received	-356	-1,044
Depreciation charges	9,024	6,871
(Increase)/ Decrease in debtors	37,236	-8,722
(Decrease)/ Increase in creditors	124,362	65,233
Movement in Pension Deficit recovery accrual	-33,772	-121,844
Net cash inflow from operating activities	<u>606,794</u>	<u>335,228</u>

B) Reconciliation of Net Cash Flow to Movements in Net Cash	2021 £	2020 £
Increase in cash in the year representing change in net cash	575,965	321,341
Net cash at 1 August 2020	649,522	328,181
At 31 July 2021	<u>1,225,487</u>	<u>649,522</u>

C) Analysis of Changes in Net Funds	1 August 2020 £	Non-cash Changes £	Cash Flows £	31 July 2021 £
Cash at bank and in hand	649,522	-	575,965	1,225,487
Debt due after more than 1 year	-60,000	-	-	-60,000
Total Net Funds	<u>589,522</u>	<u>-</u>	<u>575,965</u>	<u>1,165,487</u>

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2021

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Incorporation

The charity is incorporated in England and Wales.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)) including Update Bulletin 2, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(c) Preparation of the accounts on a going concern basis

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income in light of the impact of the COVID-19 pandemic. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to its funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Intangible assets

Website development costs are capitalised at cost and amortised over expected useful life (3 years).

(h) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(i) Stock

Stock is stated at the lower of cost and net realisable value.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(k) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instruments of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 9 and 10 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

The Charity participates in the Church of England Funded Pension Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the scheme is carried out once every three years. The most recent Scheme valuation was carried out as at 31st 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 discount rate of 3.2% pa;
- RPI inflation of 3.4% (and pension increases consistent with this);
- Increase in pensionable stipends 3.4% pa; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for 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% pa.

Following the 31st December 2018 valuation, a recovery plan was put in place until 31st December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) are 11.9% for the period 1st January 2018 until 31st December 2020 and 7.1% for the period from 1st January 2021 until 31st December 2022.

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 in the table overleaf.

	2021	2020
	£	£
Balance sheet liability as at 1st August	50,216	172,060
Deficit contributions paid	-24,085	-29,054
Interest cost (recognised in SoFA)	1,000	3,000
Remaining change to the balance sheet liability * (recognised in SoFA)	-10,687	-95,790
Balance sheet liability as at 31st July	<u>16,444</u>	<u>50,216</u>

* The current year reduction results primarily from the reduction in the number of staff in the scheme. The prior year reduction is primarily a result of the 2018 scheme valuation.

Information provided by the Church of England Pensions Board is based on a December year end and these rates have been used to calculate the liability as at the 31st July in each year. In the opinion of the Trustees the difference is unlikely to be material.

The legal structure of the scheme is that if another employer were to fail then the charity could become responsible for paying a share of that employer's pension liabilities.

(l) Judgments and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to the pension deficit liability.

2. NET INCOME FOR THE YEAR

	2021	2020
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year	7,123	6,040
- prior year under accrued	1,085	552
- Operating lease payments made in year	2,100	0

3. INCOME

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2021
	£	£	£	£
<i>Income from donors</i>				
Donations & Grants	18,184	0	108,372	126,556
Office for Students grants	38,840	0	76,396	115,236
Gift Aid recovered	3,000	0	0	3,000
	60,024	0	184,768	244,792
<i>Income from charitable activities</i>				
Course fees	2,472,722	1,100,126	0	3,572,848
Diocesan share of staff costs	35,208	0	0	35,208
Diocesan contributions	12,000	0	0	12,000
Other income	1,051	0	0	1,051
	2,520,981	1,100,126	0	3,621,107
<i>Investment income</i>				
Bank interest	356	0	0	356
<i>Fundraising income</i>				
	0	0	0	0
TOTAL INCOME	2,581,361	1,100,126	184,768	3,866,255

The comparative figures for the year ended 31st July 2020 were -

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2020
	£	£	£	£
<i>Income from donors</i>				
Donations & Grants	102,314	0	100,817	203,131
Office for Students grants	39,235	0	74,889	114,124
Gift Aid recovered	3,356	0	147	3,503
	144,905	0	175,853	320,758
<i>Income from charitable activities</i>				
Course fees	2,350,281	947,477	0	3,297,758
Diocesan share of staff costs	35,179	0	0	35,179
Diocesan contributions	12,000	0	0	12,000
Other income	0	100	0	100
	2,397,460	947,577	0	3,345,037
<i>Investment income</i>				
Bank interest	1044	0	0	1,044
<i>Fundraising income</i>				
	21,000	0	0	21,000
TOTAL INCOME	2,564,409	947,577	175,853	3,687,839

4. EXPENDITURE

	Basis of Allocation	Total 2021	Total 2020
		£	£
Costs of College Operations -			
Staff costs (see Note 6)	Staff Time	1,000,968	932,446
Academic travel and training	Direct	1,779	8,022
Fieldwork and placements	Direct	-94	510
Visiting Speakers' Fees & expenses	Direct	7,793	17,216
Library Books and supplies	Direct	18,877	11,564
Printing, Stationery and Photocopying	Direct	895	2,593
Postage and Telephone	Direct	9,878	2,334
Travel, Training and staff meals	Direct	4,479	49,994
Recruitment and Relocation costs	Direct	3,493	5,866
Premises costs and rentals	Direct	62,532	87,529
Chapel	Direct	0	760
University fees	Direct	29,970	31,898
Residential costs	Direct	4,183	225,642
Other Catering costs	Direct	5,113	47,372
Equipment	Direct	6,831	4,404
Depreciation	Direct	9,024	6,871
Maintenance	Direct	0	2,411
Professional Charges	Direct	18,739	10,363
Bank Charges and Interest	Direct	1,170	834
Other administrative costs	Direct	78,730	67,594
Fee from SPTC for Educational Services	Direct	1,866,283	1,801,937
Total cost of College Operations		<u>3,130,642</u>	<u>3,318,161</u>
Fundraising costs		0	1,270
Grants made (see note 7)		275,000	66,464
Interest on Pension Deficit Recovery Plan		1,000	3,000
TOTAL EXPENDITURE		<u>3,406,642</u>	<u>3,388,895</u>

5. TAXATION

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

6. STAFF COSTS AND NUMBERS

	General Fund	Designated Funds	Restricted Funds	2021 Total
	£	£	£	£
Salaries and wages - academic staff	153,367	262,440	41,873	457,680
Salaries and wages - administrative	127,733	110,057	0	237,790
Social security costs	31,128	35,868	0	66,996
Pension costs	33,936	54,984	0	88,920
Housing costs (incl. allowances)	12,219	58,133	0	70,352
Other grants and allowances	4,803	9,619	3000	17,422
Healthcare costs	273	339	0	612
Salary contributions	-177,073	111,222	127,047	61,196
	<u>186,386</u>	<u>642,662</u>	<u>171,920</u>	<u>1,000,968</u>

The comparative figures for the year ended 31st July 2020 were -

	General Fund	Designated Funds	Restricted Funds	2020 Total
	£	£	£	£
Salaries and wages - academic staff	151,290	243,213	57,595	452,098
Salaries and wages - administrative	153,458	93,937	0	247,395
Social security costs	32,413	30,048	0	62,461
Pension costs	24,206	60,540	0	84,746
Housing costs (including allowances)	12,138	52,236	0	64,374
Other grants and allowances	5,316	9,094	0	14,410
Salary contributions	-140,965	92,421	55,506	6,962
	237,856	581,489	113,101	932,446

No employee received emoluments of more than £60,000.

Key management personnel are remunerated in accordance with London diocesan payscales. Some of these costs are shared with St Paul's Theological Centre. See also note regarding the Head of Provider's pay below.

The average monthly head count was 31.5 staff (2020: 32) and the average monthly number of full time equivalent employees during the year was:

	2021	2020
	No	No
Assistant Dean /Course Directors	3.0	4.0
Tutors	13.5	11.5
Administration and support	9.4	9.0
	25.9	24.5

No Trustee received any remuneration in their capacity as a trustee from the Charity.

No Trustee had any travelling or out of pocket expenses in the year (2020: FOUR - £717).

Head of Provider's remuneration

We are required to declare the remuneration of the Head of Provider (the college Dean). The Dean is not employed by the charity but is an employee of St Paul's Theological Centre. The following information has been provided to us by St Paul's Theological Centre -

The Dean is remunerated at the standard rate for an Archdeacon in the Diocese of London.

Annual salary	£	38,063
Employer's pension contributions (standard rate for all CofE clergy)		10,062
Total remuneration		48,125

In common with all stipendiary clergy of the Church of England, the Dean is also provided with housing.

The salary (excluding pension contributions) represents a multiple of 1.4 of the average salary for the charity as a whole.

7. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report all Trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

The Archbishops' Council - funding received of £25,402 (2020: £34,878)

The Archbishops' Council - outstanding net debtor £19,503 (2020: £16,468)

London Diocesan Fund - funding received of £833,915 (2020: £660,908)

London Diocesan Fund – outstanding debtor NIL (2020: NIL)

Chelmsford Diocesan Board of Finance - funding received of £336,504 (2020: £309,551)

Chelmsford Diocesan Board of Finance – outstanding debtor £5,950 (2020: £15,420)

St Paul's Theological Centre - recharge of expenses incurred on their behalf.

St Paul's Theological Centre – donation towards costs at St Jude's - £31,150 (2020: £30,550)

St Paul's Theological Centre – fee for educational services £1,866,283 (2020: £1,801,937)

St Paul's Theological Centre – year end creditor £99,760 (2020: £2,286)

St Paul's Theological Centre – grant towards general costs - £50,000 (2020: NIL) *

Church Renewal Trust - grant towards cost of spire repairs at St Jude's - £225,000 (2020 NIL) *

There were no other Related Party Transactions that require disclosure during the period.

* All of the related parties above have trustees in common with the Charity. Trustees do not vote on matters related to financial transaction with related parties where they have such a conflict of interest. This was particularly the case with the grants noted above.

8. TANGIBLE FIXED ASSETS

	Office Equipment £	Office Furniture £	Computer Equipment £	Total £
Cost				
At 1st August 2020	4,800	16,953	12,513	34,266
Additions	1,467	1,822	6,328	9,617
Disposals	0	-2,717	-3,335	-6,052
At 31st July 2021	<u>6,267</u>	<u>16,058</u>	<u>15,506</u>	<u>37,831</u>
Accumulated Depreciation				
At 1st August 2020	1,066	11,521	7,130	19,717
Charge for the year	2,007	3,153	3,864	9,024
Disposals	0	-2,717	-3,335	-6,052
At 31st July 2021	<u>3,073</u>	<u>11,957</u>	<u>7,659</u>	<u>22,689</u>
Net Book Value				
At 31st July 2021	3,194	4,101	7,847	15,142
At 31st July 2020	3,734	5,432	5,383	14,549

9. INTANGIBLE FIXED ASSETS

	Website Development £
Cost	
At 1st August 2020	0
Additions	<u>21,568</u>
At 31st July 2021	<u>21,568</u>
Accumulated Amortisation	
At 1st August 2020	0
Charge for the year	<u>0</u>
At 31st July 2021	<u>0</u>
Net Book Value	
At 31st July 2021	21,568
At 31st July 2020	0

10. DEBTORS

	2021	2020
	£	£
Other debtors and prepayments	91,811	129,047
	<u>91,811</u>	<u>129,047</u>

11. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Sundry creditors and accruals	268,886	144,524
	<u>268,886</u>	<u>144,524</u>

Included in the above are accruals of £5,963 relating to pensions (2020: £5,868).

12. CREDITORS: Loans

At the year end there were two interest free loans totalling £60,000 (2020: £60,000) provided to cover the negative cash flow on the start up of the South West centre. The period of these loans is for a period of five years from July 2017. These loans are only repayable at the end of the five year period to the extent that the balance on the Designated Fund for the South West Centre is below the outstanding loan amount.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2021 Total £
Fixed Assets	36,710	0	36,710
Current assets	1,304,196	13,102	1,317,298
Current liabilities	-268,886	0	-268,886
Long term loans	-60,000	0	-60,000
Pension Deficit Liability	-16,444	0	-16,444
Net assets at 31 July 2021	995,576	13,102	1,008,678

The comparative figures as at 31st July 2020 were -

<i>Fixed Assets</i>	<i>14,549</i>	<i>0</i>	<i>14,549</i>
<i>Current assets</i>	<i>698,601</i>	<i>79,968</i>	<i>778,569</i>
<i>Current liabilities</i>	<i>-144,524</i>	<i>0</i>	<i>-144,524</i>
<i>Long term loans</i>	<i>-60,000</i>	<i>0</i>	<i>-60,000</i>
<i>Pension Deficit Liability</i>	<i>-50,216</i>	<i>0</i>	<i>-50,216</i>
<i>Net assets at 31 July 2020</i>	<i>458,410</i>	<i>79,968</i>	<i>538,378</i>

14. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC North West Fund** records the operations of the campus at Liverpool Cathedral.

The **SMC South West Fund** records the operations of the campus at Plymouth.

The **SMC East Midlands Fund** records the start up costs of the new campus at Nottingham.

The **Contingency Fund** has set aside the surplus achieved in the current year as a result of savings due to the Covid-19 pandemic to cover future shortfalls in income also resulting from the consequences of the pandemic and other development opportunities.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Professor of Christian Theology.

The **Durham Seedcorn Grant** is a grant made by Durham University towards the costs of a project researching the training provision for Interim Ministers.

The **Generous Orthodoxy Project** is a grant from the McDonald Agape Foundation to fund a research project into the college's concept of *Generous Orthodoxy*. This project came to an end at the end of July 2021.

The **Office for Students' Capital Grant** is a grant for investment in physical infrastructure, so that it remains fit for purpose. This grant was spent on capital additions and the balance transferred to the General Fund.

The **Office for Students' Disability Grant** is a grant to support successful outcomes for disabled students.

The **Office for Students' Improving Outcomes Grant** is a grant to support undergraduate students who are deemed to be most at risk of withdrawing from their studies because of their qualifications and age profile, and who therefore require additional investment to ensure their retention and success.

The **Office for Students' Student Hardship Fund** was a special grant made by the OfS to help students suffering hardship as a result of the Covid-19 pandemic. Students were invited to apply for grants and the charity paid out the funds received to the students who were awarded a grant on behalf of the OfS.

The **McDonald Fellowship Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Fellow. This post came to an end at the end of July 2021.

The analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	-4,783	22,075	22,180		-4,888
SMC North West	143,200	519,001	369,105	-293,095	0
SMC South West	-58,401	200,170	145,317		-3,548
SMC East Midlands	-8,950	358,881	213,715		136,216
Contingency	0			400,000	400,000
	<u>71,066</u>	<u>1,100,127</u>	<u>750,318</u>	<u>106,905</u>	<u>527,780</u>
<u>Restricted Funds</u>					
Dean's Discretionary	9,400	871	2,740		7,531
McDonald Professor	14,716	35,000	44,716		5,000
Durham Seedcorn Grant	571	0	0		571
Generous Orthodoxy	55,281	22,500	77,781		0
OfS Capital Grant	0	19,088		-19,088	0
OfS Disability Grant	0	6,510	6,510		0
Ofs Improving Outcomes	0	43,548	43,548		0
Ofs Student Hardship	0	7,250	7,250		0
McDonald Fellowship	0	50,000	50,000		0
	<u>79,968</u>	<u>184,767</u>	<u>232,545</u>	<u>-19,088</u>	<u>13,102</u>

The comparative figures for the year ended 31st July 2020 were -

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
<i>Beginning Theology</i>	2286	19,441	26,510		-4,783
<i>SMC North West</i>	61402	560,698	478,900		143,200
<i>SMC South West</i>	-59142	214,130	213,389		-58,401
<i>SMC East Midlands</i>	-17755	153,308	144,503		-8,950
	<u>-13,209</u>	<u>947,577</u>	<u>863,302</u>	<u>0</u>	<u>71,066</u>
<u>Restricted Funds</u>					
<i>Dean's Discretionary</i>	11,292	14	1,906		9,400
<i>McDonald Professor</i>	0	25,000	10,284		14,716
<i>Durham Seedcorn Grant</i>	-29	4,000	3,400		571
<i>Generous Orthodoxy</i>	42,958	46,950	34,627		55,281
<i>OfS Capital Grant</i>	0	14,738		-14,738	0
<i>OfS Disability Grant</i>	0	7,720	7,720		0
<i>OfS Improving Outcomes</i>	0	52,431	52,431		0
<i>McDonald Fellowship</i>	0	25,000	25,000		0
	<u>54,221</u>	<u>175,853</u>	<u>135,368</u>	<u>-14,738</u>	<u>79,968</u>

Following the closure of the North West Centre at the end of July 2021, the balance on the **SMC North West Designated Fund** was transferred to the General Fund.

The **SMC South West Designated Fund** covers the operation of the delivery centre in Plymouth. The deficit of £3k represents the balance at the end of the fourth year of operation. The adverse cash flow in the start up phase is being covered by a loan facility and guarantee over five years of up to a maximum of £60k spread between the dioceses of Exeter and Truro.

The **SMC East Midlands Designated Fund** covers the operation of the delivery centre in Nottingham. The surplus of £136k represents the balance at the end of the second year of operation. The adverse cash flow in the start up phase is being covered by a loan facility and guarantee over five years of up to a maximum of £90k spread between the dioceses of Derby, Leicester and Southwell & Nottingham. The loan has not currently been drawn down.

15. LEASE COMMITMENTS

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Within 1 year	25557	0
2 - 5 years	2903	0
More than 5 years	0	0
	<u>28460</u>	<u>0</u>

16. SoFA COMPARATIVE FIGURES

The comparative figures for the Statement of Financial Activities for the year ended 31st July 2020 are as follows-

	-- Unrestricted Funds --			
	General Fund	Designated Funds	Restricted Funds	Total Funds 2020
	£	£	£	£
INCOME				
Donations & Grants	144,905	0	175,853	320,758
Charitable Activity income	2,397,460	947,577	0	3,345,037
Investment income	1,044	0	0	1,044
Fund raising income	21,000	0	0	21,000
TOTAL INCOME	2,564,409	947,577	175,853	3,687,839
EXPENDITURE				
<i>Raising funds:</i>				
Fund raising costs	1,269	0	0	1,269
<i>Expenditure on charitable activities:</i>				
Operation of college courses	2,322,492	863,302	135,368	3,321,162
Grants made	66,464	0	0	66,464
TOTAL EXPENDITURE	2,390,225	863,302	135,368	3,388,895
NET OPERATING INCOME / (EXPENDITURE)	174,184	84,275	40,485	298,944
Transfers between funds	14,738		-14,738	0
Gain on Pension Deficit Liability	95,790	0	0	95,790
NET INCOME / (EXPENDITURE) and net movement in funds	284,712	84,275	25,747	394,734
RECONCILIATION OF FUNDS				
Total funds brought forward	102,632	-13,209	54,221	143,644
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2020	387,344	71,066	79,968	538,378

ST MELLITUS COLLEGE TRUST

England & Wales - Charity number 1094157

Accounts



St Mellitus College Trust

Annual Report & Financial Statements

Year Ended 31 July 2020

Charity number: 1094157

Company number: 4546328

St Mellitus College Trust

(A company limited by guarantee)

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St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2020

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) including Update Bulletin 2 (effective 1st January 2015).

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part time ordination training course (“the Course”), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered at Liverpool Cathedral, Plymouth and, from September 2019, in Nottingham and also an entry level course under the title of 'Beginning Theology'.

In seeking to measure success the charity primarily looks to the recruitment levels for its programmes. As recruitment is mostly driven by word of mouth recommendations from existing students, the ongoing increase in student recruitment indicates that we continue to succeed in achieving our objectives.

We also have extensive student feedback processes and since the academic year 2016/17 have been participating in the National Student Survey. We are subject to regular scrutiny by the Quality Assurance Agency for Higher Education who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning “the Advancement of Religion for the Public Benefit” published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity’s work.

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Blackburn, Carlisle, Chester, Liverpool, Manchester, Truro, Exeter, Southwell & Nottingham, Leicester and Derby and also further afield by and in -

- the provision of public rituals and ceremonies
- the cure of souls and the moral and spiritual improvement of the public
- the provision of comfort to the bereaved
- contributing towards a better society, by promoting social cohesion and social capital, for example by supporting matrimony

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The most significant contribution is made by our volunteer librarian.

ACHIEVEMENTS AND PERFORMANCE

In the year under review there have been three matters of particular significance to affect the college-

- On 11th March 2020 it was announced that the Dean of the college, Revd Dr Andrew Emerton was to be appointed as the next Bishop of Sherwood. He continued in post until 30th June and was licenced as Bishop Designate in early July and consecrated as bishop in York Minster on 20th September. Following an extensive search and recruitment exercise the Director of Development of the college, Revd Russell Winfield, was appointed as the new Dean and commenced his new role on the 1st September.
- On 20th March 2020 a letter was received from the Minister of State for Universities at the Department for Education stating that, as a result of the Coronavirus pandemic, we were required to cease all in person teaching and move all teaching and student support online. This required a massive and rapid reimagining of the way that the college works and delivers its teaching and assessment. In addition all our centres were closed and all staff required to work from home. The trustees commend and thank all members of staff for the way in which they have risen to this significant challenge. The feedback from students has been very positive and thanks have been received as to how this situation has been managed. At the date of this report it has still not been possible to resume in person teaching.
- As noted in last year's report the bishops of the North West Region have been conducting a review of theological education in their region over the last year. On 1st July 2020 they announced that they will be setting up their own theological college for their region as from September 2021 which is to be called Emmanuel Theological College. As most of the students at our Liverpool delivery centre are sponsored by these bishops and will be transferred by them to the new college, the consequence for us is that we will have to close our Liverpool delivery centre. As the new college will provide the same suite of academic awards we are hopeful that our independent students will be able to transfer over as well. This aspect is currently under negotiation and we have kept our regulator, the Office for Students, informed at all stages. Our priority is ensuring the continuity of student experience. During August 2020 the new college undertook a recruitment process for its new Dean and on 16th September it was announced that the current Director of our Liverpool delivery centre, Revd Dr Michael Leyden, is to be the Dean of the new college. We are hopeful that all our staff will be able to transfer as well.

Other matters of achievement and performance are noted as follows -

The Course is run on a part-time basis usually over three years for Anglican candidates, to study towards graduation and ordination. The students are required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting good numbers of ordinands and independent students.

The Course was taught throughout the year at two centres on weekday evenings and at separate residential locations for the residential week and weekends. Ordinands from St Paul's Theological Centre and the Liverpool, Plymouth and Nottingham centres joined us for the residential parts of the course.

During the year under review our delivery centre at Liverpool Cathedral, covering the five north-west dioceses of Blackburn, Carlisle, Chester, Liverpool and Manchester, which opened in 2013 continued to thrive. It had a total of 94 students (2018/19: 95) on its higher education courses and also ran a local version of the *Beginning Theology* course.

Our delivery centre in Plymouth which opened in September 2017 and covers the region of the dioceses of Exeter and Truro, with additional students coming from the diocese of Bath and Wells, had a total of 38 students (2018/19: 34) in its third year, the year under review. We are finding recruitment for this centre challenging, with more ordinands being on two year pathways rather than the three year pathway which is normal for our model of training. Despite these challenges, we are committed to establishing this centre as a viable resource for the region in which it is set.

At the invitation of the Bishops of Southwell and Nottingham, Leicester and Derby a new delivery centre in Nottingham, covering the region of the East Midlands, was opened in September 2019. The initial intake of students was better than original projections and the centre is rapidly establishing itself as an integral part of the college.

St Paul's Theological Centre (SPTC), our partner constituent member, has a lease on the former church of St Jude, Courtfield Gardens in Earls Court which it operates as the London base for the College. During 2018 SPTC had to spend via an associated charity some £1.2m on repairs to the stonework of the church spire which was found to be in a dangerous state. This has been covered partly from SPTC reserves, partly from the reserves of the PCC of the parish of Holy Trinity Brompton and partly by a loan from the Diocese of London which needs to be repaid. The charity succeeded in raising grants and gifts towards the repayment of this loan in the year 2018/19 and hopes to be able to make further contributions in the future.

In all this year, including SPTC students, the College had 327 ordinands in training and delivered accredited courses to more than 220 other students.

Following the completion of both the June and November exam boards, the class of 2020 included 153 students who graduated with undergraduate awards validated by one or other of our two partner universities with 11 being first class awards. In addition, 40 students graduated with postgraduate awards with 6 of these being awarded distinctions.

The 'Beginning Theology' course continues to thrive. In the Summer Term of 2019 there were 28 (2019: 35) students enrolled. This course is intended as a route into higher education for those with limited previous educational experience. Since establishing this course in 2009 a significant number of former students have gone on to study at a higher level with some now having been ordained as Church of England ministers. A version of this course is now also being delivered at the Liverpool centre.

Most of our academic programmes are validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. Some other awards, notably the Youth Ministry programme and some postgraduate provision continue to be validated by Middlesex University.

In addition to the formal academic programmes, the College is increasingly being used as a theological resource throughout the regions that it serves. For example, the Diocese of London is involving the College in its Continuing Ministerial Education programme. We have also established an Alumni Association in order that we can maintain contact with former students and that we can continue to resource them theologically as they utilise their learning in the wider church.

The College also hosts a series of high level theological lectures which are open to the public. This year these have again been generously resourced financially by the McDonald Agape Foundation. This foundation has also made further generous gifts enabling the college to appoint the former Archbishop of Canterbury, the Most Reverend Rowan Williams, to the post of Professor of Christian Theology and also to commence a research project under the direction of our President, the Right Reverend Doctor Graham Tomlin, into the concept of 'Generous Orthodoxy' which is a key component of the college's values.

The college has continued with its annual fundraising trip with this year a trip to the Holy Land under the leadership of the college President, the Rt Revd Dr Graham Tomlin. This trip raised a net income of £19,730 for the charity.

In terms of reviewing performance against agreed objectives, the charity has maintained and developed successful delivery of full time and part time ordination training to an increased number of students. This is to the benefit of the Church of England in its drive to increase priestly vocations. The charity has also theologically trained an increased number of lay people which should facilitate a contribution towards a better society in a range of social settings.

Student numbers in the reporting period have exceeded target expectations in what remains part of the continued growth phase of the charity. Recruitment onto our Youth Ministry programme and at our South West (Plymouth) delivery centre continue to be a challenge.

Since March 2019 the college has been regulated by the Office for Students (OfS). The college is a Registered Provider of Higher Education in the Approved (Fee Cap) category. In addition the year under review was the first in which funding was received by the college from the OfS.

In June 2019 the college was advised by the OfS that we had been awarded a Teaching Excellence Framework Gold Award. This is defined by the OfS as "A provider is awarded gold for delivering consistently outstanding teaching, learning and outcomes for its students. It's of the highest quality found in the UK".

This is the fourth year the we have participated in the National Student Survey (NSS) and the results continue to be significantly higher than our contemporaries in the sector. In the results of the survey of our 2020 leavers, we achieved an 'Overall Student Satisfaction' score of 93.41%, compared with a UK average of 83%. This is a slight reduction from last year's score of 98.11%

The Quality Assurance Agency for Higher Education (QAA) is the body tasked by the OfS with reviewing and monitoring the quality of the college's academic programme. Their website states as follows - "St Mellitus College Trust received a commendable outcome from the review in 2017. It submitted an annual return in September 2018 that demonstrates that it is continuing to maintain academic standards and enhance the quality of student learning opportunities and information about learning opportunities". The full report from the 2017 review is available on the QAA's website.

In November 2017 the college was subject to a Periodic External Review ("PER") performed jointly by the Ministry Division of the Church of England and the Common Awards Team of Durham University. In summary this concluded as follows -

- The reviewers found a community of learning that was buoyant and largely happy. The ethos of 'generous orthodoxy' was apparent in all our visits and encounters. Staff and students – many evangelical and/or charismatic in tradition but including a wide spectrum of Christian backgrounds – were deeply loyal to the college, positive about their learning experience and upbeat about ministry and mission in the Church of England.
- Our judgement in the end has been to have 'Confidence with Qualifications', though the 'qualifications' are there mainly because of the number of recommendations – and they are there mainly because the college's size and rapid growth makes that almost inevitable.
- The number of commendations also points to a range of strengths and good practices that are embedded in the college and which can rightly be celebrated.

Other positive indicators continue to be the fact that our drop out rates are lower than average for our sector and also that ordinands completing our programmes continue to find training posts to move into which are appropriate to the training that they have received whilst with us.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. Resulting from the fact that nearly fifty percent of current serving clergy are due to retire in the period 2015 to 2025, the national church has decided to increase target ordinand numbers by fifty percent over the next few years. This is however dependent on sufficient people putting themselves forward for this vocation.

FINANCIAL REVIEW

The charity is obliged to apply the Financial Reporting Standard (FRS 102) in preparing its financial statements. This includes a requirement for the charity to take onto its Balance Sheet its liability to contribute to the deficit recovery plan of the Church of England's Clergy Pension Scheme. As at 31st July 2020 this figure was £50,216 (31 July 2019: £172,060) and the available reserves are reduced by this amount. Excluding this liability, the total funds of the charity are £588,594 (31 July 2019: £315,704)

The General Fund showed a surplus for the year of £174,184 (2019: £41,905). This figure does not include pension deficit recovery contribution costs of £29,054 or the decrease in the pension deficit liability. Together with a decrease in the pension deficit liability reserve of £95,790, mainly resulting from the 2018 revaluation of the scheme, the reserves on the General Fund at 31st July 2020 amounted to £387,344 (2019: £102,632). The surplus has arisen largely as a result of increased numbers of ordinands and other students whilst costs have remained relatively stable. Some savings have been derived from the move to online tuition from March onwards, particularly in travelling and catering costs.

The Designated Fund for the operation of the Liverpool centre showed a surplus for the year of £81,798 (2019: £45,304). This means that the balance on this fund at 31st July 2020 is £143,200 (2019: £61,402). It is believed that this is sufficient to cover the orderly closure of this delivery centre following the decision of the local bishops to establish their own TEI together with any teach out costs.

The Designated Fund for the operation of the Plymouth centre showed a surplus of £741 (2019: £14,617 loss) which means that the cumulative deficit on this fund as at 31st July 2020 is £58,401 (2019: £59,142). Opening a new centre always results in significant negative cash flow in the early years, and this has been partly covered by loans totalling £60,000 at the year end from the Dioceses of Exeter and Truro. In addition these two dioceses have provided guarantees of up to £60,000 for any outstanding cumulative deficits after five years of operation of the centre.

The Designated Fund for the new Nottingham centre shows a surplus of £8,805 (2019: £17,756 loss) for its first year of operation which means that the cumulative deficit on this fund as at 31st July 2020 is £8,951 (2019: £17,756). The negative cash flow during the start up period is covered by a loan facility of up to £90,000 from the three local supporting dioceses.

Details of movements on the other Designated and Restricted funds are shown in Note 13.

Pricing policy

Fees for Church of England ordinands are fixed for all approved theological education institutions by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses and also the Fee Cap imposed by the Office for Students.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £3,297,758 (2019: £3,044,505), of which £2,311,118 (70%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands (mostly via dioceses).

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £485,000 which compares with the current level of available reserves (before the Pension Deficit Liability) of £508,626 (excluding fixed assets: £494,077).

The Financial Reporting Standard for charities (FRS 102) requires that charities have to provide for and disclose their share of any pension scheme deficit of which they are a member. The charity is showing a deficit of £50,216 at 31st July 2019 (2019: £172,060). Additional contributions are being paid to the Church of England Funded Pension Scheme in order to reduce the deficit to zero by the 31st December 2022 as detailed in the Accounting Policies note. In accordance with Charity Commission guidance, the pension deficit liability is not included in the calculation of free reserves as the impact on the charity's cash flow is not immediate. This liability reduced significantly as a result of the 2018 revaluation of the scheme.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of training for future church ministers, both ordained and lay, and to develop opportunities for and the variety of such training.

As has been reported above, the bishops in the North West have decided to open their own Theological Education Institution which is planned to open in September 2021. We are consequently planning an orderly run down of our Liverpool delivery centre with our priority being the continuity of student experience.

Our Plymouth delivery centre is now fully established with three cohorts of students but recruitment continues to be challenging. We are committed to developing this centre so that it becomes fully viable in terms of both student experience and finances.

Following a request from the Bishops of Southwell and Nottingham, Leicester and Derby a new delivery centre was opened in Nottingham in September 2019. This centre is rapidly becoming established and the second cohort of students who started in September 2020 exceeded the original projections.

On 9th September 2020 we signed an agreement with Durham University which gives us the ability to offer a PhD programme. Under this arrangement, the students are Durham University students but the college shares in the supervision arrangements. At this time no students have enrolled on the programme.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name:	St Mellitus College Trust
Charity registration number:	1094157
Company registration number:	4546328
Principal Address and Registered Office	24 Collingham Road London SW5 0LX
Website	www.stmellitus.ac.uk

Advisers

Auditors:	Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Solicitors:	Winkworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB
Bankers:	Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of company law. The trustees and officers serving during the year and since the year end were as follows together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) (Joint Chair)	
The Right Reverend S Cottrell (Bishop of Chelmsford) (Joint Chair) - until 1st May 2020	
The Right Reverend P Hill (Acting Bishop of Chelmsford) (Joint Chair) - from 1st May 2020	
The Reverend N Gumbel (Representative of St Paul's Theological Centre) (Joint Chair)	
The Right Reverend M Ashcroft (resigned 27th July 2020)	Joint
Mr J Ball	Bishop of Chelmsford
The Reverend R Coates	Joint
The Reverend A Eleyae	Joint
The Reverend Canon L Nsenga-Ngoy	Joint
Sir H Sants	Bishop of London
The Reverend Dr B Sargent	General Synod
Mrs R Stewart	St Paul's Theological Centre
The Right Reverend Dr G Tomlin (President)	
Mr A Winther	Joint
The Reverend K Wharton	Joint

Key management personnel

The Trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Dr Andrew Emerton / Reverend Russell Winfield) together with the Assistant Deans (Dr Jane Williams and Reverend Dr Lincoln Harvey) and also the Bursar (Reverend Neil Taylor).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on the 26th September 2002 and registered as a charity on the 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 15th June 2019 further new Memorandum and Articles of Association were adopted incorporating new procedures for nominating and appointing trustees for the Charity.

Appointment of Trustees

The directors of the charitable company (" the charity ") are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on the 15th June 2019 the Trustees consist of at least three but not more than thirteen individuals nominated to serve as follows: The Bishop of Chelmsford, The Bishop of London, a Trustee representative of St Paul's Theological Centre (together constituting the Members), one trustee nominated by each of the Members, one trustee nominated by the General Synod of the Church of England, no more than five further Trustees appointed jointly and unanimously by the Members and the President for the time being of the College.

Revd R Coates and Mrs R Stewart retire by rotation and offer themselves for re-nomination.

Trustee Induction and Training

The Joint Chairs of the Trustees liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the Trustees according to defined procedures.

Pay and remuneration of senior staff

The Dean (who is remunerated by St Paul's Theological Centre) and one Assistant Dean as ordained clergy are remunerated according to the Archbishops' Council of the Church of England's published remuneration scale for ordained college staff (the "Lichfield Scale"). The other, non-ordained, Assistant Dean is remunerated by St Paul's Theological Centre.

Related Parties

All the Trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 7 to the Financial Statements.

Risks and uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees (who are also directors of St Mellitus College Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.)

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

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and 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.

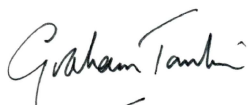
STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the auditor is unaware, and
- the trustees, having made enquiries of fellow directors and the auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small entities.

Approved by the Trustees on 3rd February 2021 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

St Mellitus College Trust

Statement of Corporate Governance and Internal Control for the year ended 31 July 2020

The College's framework of governance is established in its Memorandum and Articles of Association. The College is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee) and the Higher Education Code of Governance issued by the Committee of College Chairs.

In adopting this Code of Governance, the College is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The College maintains a register of interest of members of the Board of Trustees which is available for inspection.

Charitable Status

The College is a Registered Charity (No 1094157) and a Company Limited by Guarantee (No 4546328) and is regulated by the Office for Students (OfS). The College received notification of its successful application for registration with the OfS in March 2019. For the purposes of Company Law, the Trustees are the Company's Directors. The charitable purposes of the College as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The Board of Trustees

The Board of Trustees oversees the activities of the College and determines its strategic direction. The specific powers of the Board are set out in the Memorandum and Articles.

The Board has a duty to enable the College to develop its vision and strategy and to achieve success in achieving its objectives. In doing this, it always seeks to safeguard and protect the reputation of the College.

The Board has a formal function to hold the Dean to account for the effective management of the College. The Board is a steering body and fundamentally serves to add value to the College's affairs, by offering independent, expert input to and constructive challenge of the decisions of the College management.

The Board has formal decision-making responsibility in a number of key areas, including the approval of the College's Strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the College are the appointment and performance management of the Dean and other senior post holders, adoption of its annual Financial Statements, budgets, financial forecasts and the appointment of the College's external auditors.

The Board is responsible for approving annual returns to the Office for Students as required.

The Board of Trustees comprises members from outside the College as laid out in the Articles of Association which also defines the charring arrangements.

Conduct of business

The Board has a minimum of three meetings per year. The formal Board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key College events. This helps to ensure that Trustees are part of the wider community of the College and that they are fully briefed on the activities of and challenges and opportunities facing the College.

There is a clear division of responsibility in that the role of Chair of the Board of Trustees is separated from the role of the College's Dean.

The Board has a number of standing committees to help it discharge its business effectively:

Audit and Risk Committee

The Audit and Risk Committee meets with the College's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the College's systems of internal control and management's responses and implementation plans.

The Committee reports to the Board on the adequacy and effectiveness of the College's arrangements for:

- Risk management, control and governance
- Financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of trustees' responsibilities as reported in the annual financial statements)
- Economy, efficiency and effectiveness (Value for Money)
- Data quality

It also receives and considers reports from the Office for Students as they affect the College's business and monitors adherence to the regulatory requirements. While senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee and the Committee meets annually with the Auditors on their own for independent discussions.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board of Trustees on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Dean and Assistant Deans. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Dean and senior staff pay is transparent and practices are consistent with best practice. Details of remuneration for the year ended 31 July 2020 are set out in note 6 of the financial statements.

Nominations Committee

The Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the Board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Committee

The Academic Committee offers strategic academic oversight through liaising with the senior staff that have responsibility for leadership of the academic life of the College. It seeks to maintain the high academic standards that St Mellitus College has set, as well as review and contribute to the strategic development and direction of the College in relation to academic matters and regulation.

Internal Control

The College's Board of Trustees is responsible for ensuring that the College maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding the assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The Board of Trustees has delegated the day to day responsibility to the Dean, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the College's internal control and risk management:

- The Board of Trustees meets a minimum of three times a year to consider the plans and strategic direction of the college. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. The Board of Trustees ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year.
- The Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the College's operations.
- An organisation-wide risk register is maintained and is available on the College's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks.
- Management accounts are presented regularly to the Board of Trustees and are regularly monitored by the Audit and Risk Committee. The annual budget and financial forecasts are also presented to the Board of Trustees.

The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the College's significant risks.

These processes enable the College to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the College.

Going Concern

After reviewing detailed papers, the Board of Trustees considered, at its meeting on 15 October 2020, that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Statement of the responsibilities of the Board of Trustees

In accordance with the College's Memorandum and Articles of Association, the Board of Trustees is responsible for the administration and management of the College's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Trustees is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College, and to enable it to ensure that the financial statements are prepared in accordance with the College's Articles, with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006.

In preparing the financial statements, the Board of Trustees has ensured that:

- Suitable accounting policies are selected and applied consistently
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board of Trustees is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Trustees has taken reasonable steps to:

- Safeguard the assets of the College, prevent and detect fraud, and ensure that risk management is in place
- Ensure that the Board of Trustees' report and other information included in the Financial Statements are prepared in accordance with relevant legislation in the UK
- Secure the economical, efficient and effective management of the College's resources and expenditure; and
- Ensure that the College operates an effective health and safety policy.

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the College
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Trustees

Approved by the Trustees on 3rd February 2021 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the company") for the year ended 31 July 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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 Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion:

- funds from whatever source administered by the college for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students (OfS) have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's Accounts Direction have been met.

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 have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If 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 in 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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the trustees' annual 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 our 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the 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 relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease¹⁷ 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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, 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 company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

Date: 24th February 2021

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2020

-- Unrestricted Funds --						
		General Fund	Designated Funds (Note 13)	Restricted Funds (Note 13)	Total Funds 2020	Total Funds 2019 (Note 15)
	Note	£	£	£	£	£
INCOME	3					
Donations & Grants		144,905	0	175,853	320,758	118,571
Charitable Activity income		2,397,460	947,577	0	3,345,037	3,090,856
Investment income		1,044	0	0	1,044	1209
Fund raising income		21,000	0	0	21,000	26,250
TOTAL INCOME		2,564,409	947,577	175,853	3,687,839	3,236,886
EXPENDITURE	4					
<i>Raising funds:</i>						
Fund raising costs		1,269	0	0	1,269	513
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,322,492	863,302	135,368	3,321,162	3,105,057
Grants made		66,464	0	0	66,464	57,237
TOTAL EXPENDITURE		2,390,225	863,302	135,368	3,388,895	3,162,807
NET OPERATING INCOME		174,184	84,275	40,485	298,944	74,079
Transfers between funds		14,738		-14,738	0	0
(Loss)/Gain on Pension Deficit Liability		95,790	0	0	95,790	-69,380
NET INCOME / (EXPENDITURE) and net movement in funds for year	2	284,712	84,275	25,747	394,734	4,699
RECONCILIATION OF FUNDS						
Total funds brought forward	13	102,632	-13,209	54,221	143,644	138,945
TOTAL FUNDS CARRIED FORWARD						
AT 31 JULY 2020	13	387,344	71,066	79,968	538,378	143,644

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

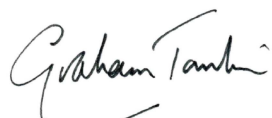
St Mellitus College Trust

Balance Sheet as at 31 July 2020

		2020	2019
		£	£
	Note		
FIXED ASSETS			
Tangible assets	8	14,549	6,489
CURRENT ASSETS			
Debtors	9	129,047	120,325
Cash at bank and in hand		649,522	328,181
		<u>778,569</u>	<u>448,506</u>
CREDITORS: amounts falling due within one year	10	<u>-144,524</u>	<u>-79,291</u>
NET CURRENT ASSETS		634,045	369,215
CREDITORS: amounts falling due after more than one year			
- Long term loans	11	-60,000	-60000
NET ASSETS BEFORE PENSION DEFICIT LIABILITY		<u>588,594</u>	<u>315,704</u>
PENSION DEFICIT LIABILITY		-50,216	-172,060
TOTAL NET ASSETS		<u><u>538,378</u></u>	<u><u>143,644</u></u>
UNRESTRICTED FUNDS	12	508,626	261,483
RESTRICTED FUNDS	12	79,968	54,221
		<u>588,594</u>	<u>315,704</u>
PENSION DEFICIT LIABILITY RESERVE		-50,216	-172,060
TOTAL FUNDS		<u><u>538,378</u></u>	<u><u>143,644</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Trustees on 3rd February 2021 and signed on their behalf by



Chair: Rt Revd Dr G S Tomlin
Company No: 4546328



Dean (Accountable Officer): Rev R Winfield

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2020

	2020 £	2020 £	2019 £	2019 £
Net cash inflow (outflow) from Operating Activities (Note A)		335,228		-11,836
Capital Expenditure				
Payments to acquire tangible fixed assets		-14,931		-4,462
Returns on Investments and Servicing of Finance				
Interest received	<u>1,044</u>		<u>1,209</u>	
Net cash inflow from Returns on Investments and Servicing of Finance		1,044		1,209
Financing				
New loans		0		15,000
Increase (Decrease) in Cash (Note B)		<u>321,341</u>		<u>-89</u>

A) Reconciliation of Operating Surplus/(Deficit) to Net Cash Inflow from Operating Activities	2020 £	2019 £
Operating surplus	394,734	4,699
Interest received	-1,044	-1,209
Depreciation charges	6,871	2,849
(Increase)/ Decrease in debtors	-8,722	-29,807
(Increase)/ Decrease in stocks	0	113
(Decrease)/ Increase in creditors	65,233	-36,621
Movement in Pension Deficit recovery accrual	-121,844	48,140
Net cash (outflow)/inflow from operating activities	<u>335,228</u>	<u>-11,836</u>

B) Reconciliation of Net Cash Flow to Movements in Net Cash	2020 £	2019 £
(Decrease) in cash in the year representing change in net cash	321,341	-89
Net cash at 1 August 2019	328,181	328,270
At 31 July 2020	<u>649,522</u>	<u>328,181</u>

C) Analysis of Changes in Net Funds	1 August 2019 £	Non-cash Changes £	Cash Flows £	31 July 2020 £
Cash at bank and in hand	328,181	0	321,341	649,522
Debt due after more than 1 year	-60000	0	0	-60,000
Total Net Funds	<u>268,181</u>	<u>0</u>	<u>321,341</u>	<u>589,522</u>

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2020

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Incorporation

The charity is incorporated in England and Wales.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)) including Update Bulletin 2, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest pound.

(c) Preparation of the accounts on a going concern basis.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income in light of the impact of the COVID-19 pandemic. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

- the charity has entitlement to its funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

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.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(h) Stock

Stock is stated at the lower of cost and net realisable value.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(j) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 9 and 10 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

The Charity participates in the Church of England Funded Pension Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means that it is not possible to attribute the Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions (see below).

A valuation of the scheme is carried out once every three years. The most recent Scheme valuation was carried out as at 31st 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 discount rate of 3.2% pa;
- RPI inflation of 3.4% (and pension increases consistent with this);
- Increase in pensionable stipends 3.4% pa; and
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for 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% pa.

Following the 31st December 2018 valuation, a recovery plan was put in place until 31st December 2022 and the deficit recovery contributions payable (as a percentage of pensionable stipends) are 11.9% for the period 1st January 2018 until 31st December 2020 and 7.1% for the period from 1st January 2021 until 31st December 2022.

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 in the table below.

	2019/20	2018/19
	£	£
Balance sheet liability as at 1st August	172,060	123,920
Deficit contributions paid	-29,054	-23,240
Interest cost (recognised in SoFA)	3,000	2,000
Remaining change to the balance sheet liability * (recognised in SoFA)	-95,790	69,380
Balance sheet liability as at 31st July	<u>50,216</u>	<u>172,060</u>

* The current year reduction is primarily a result of the 2018 scheme valuation. The prior year increase resulted mostly from an increase in the number of staff in this scheme.

Information provided by the Church of England Pensions Board is based on a December year end and these rates have been used to calculate the liability as at the 31st July in each year. In the opinion of the Trustees the difference is unlikely to be material.

The legal structure of the scheme is that if another employer were to fail then the charity could become responsible for paying a share of that employer's pension liabilities.

(m) Judgments and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to the pension deficit liability.

2. NET INCOME FOR THE YEAR

	2020	2019
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year	6,040	6,040
- prior year under accrued	552	233

3. INCOME

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2020
	£	£	£	£
<i>Income from donors</i>				
Donations & Grants	102,314	0	100,817	203,131
Office for Students grants	39,235	0	74,889	114,124
Gift Aid recovered	3,356	0	147	3,503
	144,905	0	175,853	320,758
<i>Income from charitable activities</i>				
Course fees	2,350,281	947,477	0	3,297,758
Diocesan share of staff costs	35,179	0	0	35,179
Diocesan contributions	12,000	0	0	12,000
Other income	0	100	0	100
	2,397,460	947,577	0	3,345,037
<i>Investment income</i>				
Bank interest	1,044	0	0	1,044
<i>Fundraising income</i>				
	21,000	0	0	21,000
TOTAL INCOME	2,564,409	947,577	175,853	3,687,839

The comparative figures for the year ended 31st July 2019 were -

	-- Unrestricted Funds --			
	General	Designated	Restricted	Total Funds
	Fund	Funds	Fund	2019
	£	£	£	£
<i>Income from donors</i>				
Donations	17,754	3,790	91,527	113,071
Gift Aid recovered	3,500	0	2,000	5,500
	21,254	3,790	93,527	118,571
<i>Income from charitable activities</i>				
Course fees	2,313,086	731,419	0	3,044,505
Diocesan share of staff costs	34,315	0	0	34,315
Diocesan contributions	12,000	0	0	12,000
Other income	36	0	0	36
	2,359,437	731,419	0	3,090,856
<i>Investment income</i>				
Bank interest	1088	121	0	1,209
<i>Fundraising income</i>				
	26,250	0	0	26,250
TOTAL INCOME	2,408,029	735,330	93,527	3,236,886

4. EXPENDITURE

	Basis of Allocation	Total 2020	Total 2019
		£	£
Costs of College Operations -			
Staff costs (see Note 6)	Staff Time	932,446	760,594
Academic travel and training	Direct	8,022	12,183
Fieldwork and placements	Direct	510	239
Visiting Speakers' Fees & expenses	Direct	17,216	14,180
Library Books and supplies	Direct	11,564	14,918
Printing, Stationery and Photocopying	Direct	2,593	1,427
Postage and Telephone	Direct	2,334	1,009
Travel, Training and staff meals	Direct	49,994	57,304
Recruitment and Relocation costs	Direct	5,866	8,373
Premises costs and rentals	Direct	87,529	83,277
Chapel	Direct	760	594
University fees	Direct	31,898	29,407
Residential costs	Direct	225,642	222,338
Other Catering costs	Direct	47,372	63,406
Equipment	Direct	4,404	5,206
Depreciation	Direct	6,871	2,849
Maintenance	Direct	2,411	2,411
Professional Charges	Direct	10,363	10,732
Bank Charges and Interest	Direct	834	941
Other administrative costs	Direct	67,594	27,479
Fee from SPTC for Educational Services	Direct	<u>1,801,937</u>	<u>1,784,190</u>
Total cost of College Operations		3,318,161	3,103,056
Fundraising costs		1,270	514
Grants made		66,464	57,237
Interest on Pension Deficit Recovery Plan		3,000	2,000
TOTAL EXPENDITURE		<u>3,388,895</u>	<u>3,162,807</u>

5. TAXATION

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

6. STAFF COSTS AND NUMBERS

	General Fund	Designated Funds	Restricted Funds	2020 Total
	£	£	£	£
Salaries and wages - academic staff	151,290	243,213	57,595	452,098
staff	153,458	93,937	0	247,395
Social security costs	32,413	30,048	0	62,461
Pension costs	24,206	60,540	0	84,746
Housing costs (incl. allowances)	12,138	52,236	0	64,374
Other grants and allowances	5,316	9,094	0	14,410
Salary contributions	-140,965	92,421	55,506	6,962
	<u>237,856</u>	<u>581,489</u>	<u>113,101</u>	<u>932,446</u>

The comparative figures for the year ended 31st July 2019 were -

	General Fund	Designated Funds	Restricted Funds	2019 Total
	£	£	£	£
Salaries and wages - academic staff	188,337	151,810	0	340,147
staff	161,195	79,658	0	240,853
Social security costs	32,817	19,399	0	52,216
Pension costs	41,005	22,046	0	63,051
Housing costs (including allowances)	35,934	38,749	0	74,683
Other grants and allowances	8,662	7,510	0	16,172
Salary contributions	-178,565	119,831	32,206	-26,528
	<u>289,385</u>	<u>439,003</u>	<u>32,206</u>	<u>760,594</u>

No employee received emoluments of more than £60,000.

Key management personnel are remunerated in accordance with London diocesan payscales. Some of these costs are shared with St Paul's Theological Centre. See also note regarding the Head of Provider's pay below.

The average monthly head count was 32 staff (2019: 27) and the average monthly number of full time equivalent employees during the year was:

	2020	2019
	No	No
Assistant Dean /Course Directors	4.0	3.3
Tutors	11.5	8.0
Administration and support	9.0	8.4
	<u>24.5</u>	<u>19.7</u>

No Trustee received any remuneration in their capacity as a trustee from the Charity.

Four Trustees had travelling and out of pocket expenses totalling £717 reimbursed during the year (2019: ONE - £226).

Head of Provider's remuneration

We are required to declare the remuneration of the Head of Provider (the college Dean). The Dean is not employed by the charity but is an employee of St Paul's Theological Centre. The following information has been provided to us by St Paul's Theological Centre -

The Dean is remunerated at the standard rate for an Archdeacon in the Diocese of London.

Annual salary	£	37,500
Employer's pension contributions (standard rate for all CofE clergy)		<u>9,884</u>
Total remuneration		<u>47,384</u>

In common with all stipendiary clergy of the Church of England, the Dean is also provided with housing.

7. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report all Trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

The Archbishops' Council - funding received of £34,878 (2019: £469,240)
 The Archbishops' Council - accrued fees receivable of NIL (2019: £17,049)
 The Archbishops' Council - outstanding debtor £16,468 (2019: £650 creditor)
 London Diocesan Fund - funding received of £660,908 (2019: £416,069)
 London Diocesan Fund – outstanding debtor NIL (2019: NIL)
 Chelmsford Diocesan Board of Finance - funding received of £309,551 (2019: £285,514)
 Chelmsford Diocesan Board of Finance – outstanding debtor £15,420 (2019: NIL)
 St Paul's Theological Centre - recharge of expenses incurred on their behalf.
 St Paul's Theological Centre – donation towards costs at St Jude's - £30,550 (2019: £29,950)
 St Paul's Theological Centre – fee for educational services £1,801,937 (2019: £1,784,490)
 St Paul's Theological Centre – year end creditor £2,286 (2019: £29,411 debtor)

8. TANGIBLE FIXED ASSETS

	Office Equipment £	Office Furniture £	Computer Equipment £	Total £
Cost				
At 1st August 2019	0	11,164	8,171	19,335
Additions	4,800	5,789	4,342	14,931
Disposals	0	0	0	0
At 31st July 2020	<u>4,800</u>	<u>16,953</u>	<u>12,513</u>	<u>34,266</u>
Accumulated Depreciation				
At 1st August 2019	0	8,670	4,176	12,846
Charge for the year	1,066	2,851	2,954	6,871
Disposals	0	0	0	0
At 31st July 2020	<u>1,066</u>	<u>11,521</u>	<u>7,130</u>	<u>19,717</u>
Net Book Value				
At 31st July 2020	3,734	5,432	5,383	14,549
At 31st July 2019	0	2,494	3,995	6,489

9. DEBTORS

	2020 £	2019 £
Other debtors and prepayments	129,047	120,325
	<u>129,047</u>	<u>120,325</u>

10. CREDITORS: Amounts falling due within one year

	2020 £	2019 £
Sundry creditors and accruals	144,524	79,291
	<u>144,524</u>	<u>79,291</u>

Included in the above are accruals of £5,868 relating to pensions (2019: £2,890).

11. CREDITORS: Amounts falling due later than one year

At the year end there were two long term interest free loans totalling £60,000 (2019: £60,000) provided to cover the negative cash flow on the start up of the South West centre. The period of these loans is for a period of five years from July 2017. These loans are only repayable at the end of the five year period to the extent that the balance on the Designated Fund for the South West Centre is below the outstanding loan amount.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2020 Total £
Fixed Assets	14,549	0	14,549
Current assets	698,601	79,968	778,569
Current liabilities	-144,524	0	-144,524
Long term loans	-60,000	0	-60,000
Pension Deficit Liability	-50,216	0	-50,216
Net assets at 31 July 2020	458,410	79,968	538,378

The comparative figures as at 31st July 2019 were -

<i>Fixed Assets</i>	<i>6,489</i>	<i>0</i>	<i>6,489</i>
<i>Current assets</i>	<i>394,285</i>	<i>54,221</i>	<i>448,506</i>
<i>Current liabilities</i>	<i>-79,291</i>	<i>0</i>	<i>-79,291</i>
<i>Long term loans</i>	<i>-60,000</i>	<i>0</i>	<i>-60,000</i>
<i>Pension Deficit Liability</i>	<i>-172,060</i>	<i>0</i>	<i>-172,060</i>
<i>Net assets at 31 July 2019</i>	<i>89,423</i>	<i>54,221</i>	<i>143,644</i>

13. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC North West Fund** records the operations of the campus at Liverpool Cathedral.

The **SMC South West Fund** records the operations of the campus at Plymouth.

The **SMC East Midlands Fund** records the start up costs of the new campus at Nottingham.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Professor of Christian Theology.

The **Durham Seedcorn Grant** is a grant made by Durham University towards the costs of a project researching the training provision for Interim Ministers.

The **Generous Orthodoxy Project** is a grant from the McDonald Agape Foundation to fund a research project into the college's concept of *Generous Orthodoxy*.

The **Office for Students Capital Grant** is a grant for investment in physical infrastructure, so that it remains fit for purpose. This grant was spent on capital additions and the balance transferred to the General Fund.

The **Office for Students Disability Grant** is a grant to support successful outcomes for disabled students.

The **Office for Students Improving Outcomes Grant** is a grant to support undergraduate students who are deemed to be most at risk of withdrawing from their studies because of their qualifications and age profile, and who therefore require additional investment to ensure their retention and success.

The **McDonald Fellowship Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Fellow.

The analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Transfers	Closing Balance
	£	£	£	£	£
<u>Designated Funds</u>					
Beginning Theology	2,286	19,441	26,510		-4,783
SMC North West	61,402	560,698	478,900		143,200
SMC South West	-59,142	214,130	213,389		-58,401
SMC East Midlands	-17,755	153,308	144,503		-8,950
	<u>-13,209</u>	<u>947,577</u>	<u>863,302</u>	<u>0</u>	<u>71,066</u>
<u>Restricted Funds</u>					
Dean's Discretionary	11,292	14	1,906		9,400
McDonald Professor	0	25,000	10,284		14,716
Durham Seedcorn Grant	-29	4,000	3,400		571
Generous Orthodoxy	42,958	46,950	34,627		55,281
OfS Capital Grant	0	14,738		-14,738	0
OfS Disability Grant	0	7,720	7,720		0
Ofs Improving Outcomes	0	52,431	52,431		0
McDonald Fellowship	0	25,000	25,000		0
	<u>54,221</u>	<u>175,853</u>	<u>135,368</u>	<u>-14,738</u>	<u>79,968</u>

The comparative figures for the year ended 31st July 2019 were -

	Opening Balance	Income	Expenditure	Closing Balance
	£	£	£	£
<u>Designated Funds</u>				
Beginning Theology	9,065	21,002	27,781	2,286
SMC North West	16,098	527,904	482,599	61,402
SMC South West	-44,525	186,055	200,672	-59,142
SMC East Midlands	0	370	18,125	-17,755
	<u>-19,362</u>	<u>735,330</u>	<u>729,177</u>	<u>-13,209</u>

Restricted Funds

<i>Dean's Discretionary</i>	6,710	5,662	1,080	11,292
<i>McDonald Professor</i>	0	17,865	17,865	0
<i>Durham Seedcorn Grant</i>	221	0	250	-29
<i>Generous Orthodoxy Project</i>	20,269	45,000	22,311	42,958
<i>Spire Fund</i>	<u>1,000</u>	<u>25,000</u>	<u>26,000</u>	<u>0</u>
	<u>28,200</u>	<u>93,527</u>	<u>67,506</u>	<u>54,221</u>

The balance on the **SMC North West Designated Fund** compares with the target of £160k, being one term's expenditure.

The **SMC South West Designated Fund** covers the operation of the delivery centre in Plymouth. The deficit of £58k represents the balance at the end of the third year of operation. The adverse cash flow in the start up phase is being covered by a loan facility and guarantee over five years of up to a maximum of £60k spread between the dioceses of Exeter and Truro.

The **SMC East Midlands Designated Fund** covers the operation of the delivery centre in Nottingham. The deficit of £9k represents the balance at the end of the first year of operation. The adverse cash flow in the start up phase is being covered by a loan facility and guarantee over five years of up to a maximum of £90k spread between the dioceses of Derby, Leicester and Southwell & Nottingham.

15. SoFA COMPARATIVE FIGURES

The comparative figures for the Statement of Financial Activities for the year ended 31st July 2019 are as follows-

-- Unrestricted Funds --				
	General Fund	Designated Funds	Restricted Funds	Total Funds 2019
	£	£	£	£
INCOME				
Donations & Grants	21,254	3,790	93,527	118,571
Charitable Activity income	2,359,437	731,419	0	3,090,856
Investment income	1,088	121	0	1,209
Fund raising income	26,250	0	0	26,250
TOTAL INCOME	2,408,029	735,330	93,527	3,236,886
EXPENDITURE				
<i>Raising funds:</i>				
Fund raising costs	513	0	0	513
<i>Expenditure on charitable activities:</i>				
Operation of college courses	2,335,454	729,177	40,426	3,105,057
Grants made	30,157	0	27,080	57,237
TOTAL EXPENDITURE	2,366,124	729,177	67,506	3,162,807
NET OPERATING INCOME / (EXPENDITURE)	41,905	6,153	26,021	74,079
<i>Gain on Pension Deficit Liability</i>	<i>-69,380</i>	<i>0</i>	<i>0</i>	<i>-69,380</i>
NET INCOME / (EXPENDITURE) and net movement in funds	-27,475	6,153	26,021	4,699
RECONCILIATION OF FUNDS				
Total funds brought forward	130,107	-19,362	28,200	138,945
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2019	102,632	-13,209	54,221	143,644