



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.



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.

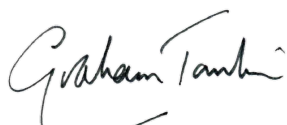
St Mellitus College Trust

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>910,840</u>		<u>1,060,400</u>
UNRESTRICTED FUNDS	15		900,234		1,047,574
RESTRICTED FUNDS	15		10,606		12,826
TOTAL FUNDS			<u>910,840</u>		<u>1,060,400</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 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.

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.

(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

	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 --			Total Funds
	General Fund	Designated Funds	Restricted 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 Fund	Designated Funds	Restricted Fund	Total Funds 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
	27,343	62,729	361,527	451,599
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
	2,356,832	668,546	0	3,025,378
Investment income				
Bank interest	560	0	0	560
TOTAL INCOME	2,384,735	731,275	361,527	3,477,537

4. FEES & GRANTS ANALYSIS

	Total 2023	Total 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	<u>2,867,209</u>	<u>3,043,694</u>

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 No	2022 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)		7,940
Total remuneration		<u>47,411</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	0	0	0	0
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	0	0	0	0
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	0
At 31st July 2023	<u>25,530</u>
Accumulated Amortisation	
At 1st August 2022	8,510
Charge for the year	8,510
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	0	0
	<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