

Company No. 5543940

Charity No. 1111609

St Paul's Theological Centre
(A Charitable Company Limited By Guarantee)
Trustees' Report and
Financial Statements
For the year ended 31 December 2020

St Paul's Theological Centre

Financial statements for year ended 31 December 2020

Contents	Page
Trustees' annual report	1 - 7
Independent auditor's report	8 - 10
Statement of financial activities	11
Balance sheet	12
Statement of cashflows	13
Notes to the financial statements	14-23

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

Reference and administrative information

The registered name of the Charity is St Paul's Theological Centre.

Company number: 5543940

Charity Registration Number: 1111609

Principal and Registered Office: Holy Trinity Brompton, Brompton Road, London, SW7 1JA.

Trustees:

Andrew Brydon
Angus Winther (Vice Chair) (appointed 24 April 2020)
Genevieve Mensah (appointed 24 April 2020)
Helen Shannon
James Orr
Jeremy Jennings
Kathleen Chew (appointed 24 April 2020)
Michael Lee (Treasurer) (appointed 6 April 2020)
Rev'd Miles Toulmin (appointed 19 February 2020)
Rev'd Nicky Gumbel (Chair)
Rev'd Richard Coates (appointed 24 April 2020)
Sarah Jackson (appointed 24 April 2020)
Simon Downham (resigned 20 April 2020)
Sir Paul Marshall (appointed 24 April 2020)

Company Secretary: Mr Jon Shippen

Bankers: National Westminster Bank PLC, 186 Brompton Road, London, SW3 1XJ.

Auditors: Moore Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD.

Objectives and activities

The main aim of the Charity, as laid out in its governing document, is to provide theological education on all aspects of the Christian life and faith in accordance with Biblical principles.

The vision of SPTC is to help bring theology back into the heart of the church and with this in mind it has four related aims:

1. To provide training in theology and Christian practice for lay people.
2. To establish a new opportunity for Church leadership training.
3. To be a theological resource for the benefit of both HTB and Alpha.
4. To help other churches develop their own theological training.

We have set out below our activities and achievements in 2020 in pursuit of our aims:

1. **Leadership:** Following Principal Andy Emerton's appointment as Bishop of Sherwood, the Trustees, working with the board of St Mellitus College, undertook the recruitment and appointment of a new Principal to lead SPTC and continue to spearhead the aims of the charity. Russell Winfield took up the role of Principal of SPTC and Dean of St Mellitus College in September 2020.
2. **Lay Training:** The School of Theology (290 students in 2020) continues to run on Thursday evenings across three tracks: Bible Track, Faith Track and Life Track. A number of courses in lay training at certificate, diploma, Bachelor's degree and Master's degree level, as well as the Beginning Theology course are also available on weekdays through St Mellitus College (SMC), supported by SPTC, delivered online during the pandemic. In 2020, 172 students not pursuing ordination were engaged in courses.
3. **Ordination training:** We currently have 157 ordinands training at SPTC – as part of SMC.

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

4. Peter Stream: In September 2018 we introduced a pilot scheme in partnership with the Kensington Area of the Diocese of London and the Church Revitalisation Trust, offering a pathway for people from non-traditional backgrounds (educational, socio-economic or ethnicity) to engage with the Church of England's discernment and selection process and training for ordination. Four students joined the pilot scheme in September 2018, 19 students in the 2019/20 intake and a further 19 in 2020/21.
5. Developing Theological Resources:
 - Godpod - Theological discussions on current issues are available via a monthly podcast called Godpod which has around 2,500-3,000 regular subscribers.
 - School of Theology Streamed – In 2016 we launched SoT Streamed which provides the opportunity for churches to access the School of Theology live teaching via a streamed video service which can be watched in a context of prayer and worship. This is a great resource for Christians who want to go deeper in their faith, at a home group or a larger church gathering. With COVID-19 we have made it possible for churches to host SoT Streamed via Zoom to use as a discipleship tool in their churches.
 - UK and International Development – Since Autumn 2016 we have been working on developing relationships with UK and international partners, aimed at enhancing theological training globally, especially through the Anglican Communion, to deliver a range of models of theological training, appropriate to each context. SPTC's programme of dispersed learning has steadily grown since then and we now deliver content across the globe.
 - In 2016 SPTC Malaysia was launched offering Theological Study and Ordination Training. Out of the 92 students enrolled in academic year 2020/21, 55 students are enrolled in the Ordination Track. 84 students are studying the BA program and 8 in the MA program. The student community is represented by 39 churches, 14 denominations, 13 countries, and 10 different ethnicities.

Public benefit

The trustees are aware of the Charity Commission's guidance on public benefit in "The advancement of religion for the Public Benefit" and have had regard to it in their administration of the resources of SPTC. In shaping our objectives for the year and planning our activities, the trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

The trustees believe that by promoting the Christian faith through theological education, and the training of future church leaders from a wide variety of Christian denominations, it provides a benefit to the public by:

- Providing trained leadership for the administration of public worship, pastoral care and spiritual development, both for existing church members and for anyone who wishes to benefit from what the church offers; and
- Promoting Christian values, and service by members of the church in and to their communities, to the benefit of individuals and society as a whole.

Plans for future periods

SPTC aims to continue its successful partnership with SMC providing high quality theological training in the UK and internationally. SPTC has the following aims for the forthcoming year:

1. To continue to support the development of high quality theological training through SMC.
2. To innovate new models of training such as the Peter Stream.
3. To work with churches and dioceses internationally to make theological training and resources available via dispersed learning.
4. To have a fundraising strategy in place to attract a regular stream of donors, giving to fund SPTC projects and costs.

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

St Paul's Theological Centre Remuneration Policy, Principles and Governance

At SPTC we place great value on our highly talented, dedicated and passionate staff team, without whom we could not deliver against our vision, mission and goals. Our remuneration policy is aimed at ensuring that pay is competitive within our sector, rewards staff fairly and enables the staff team to feel valued.

Our principle is to reward staff, irrespective of seniority, informed by the following:

- Fairness; without discrimination and with an intention of cross-entity parity
- Differentiation; to reflect a combination of what is achieved and the way in which it is achieved
- Compliance; to all HMRC and Charity Commission requirements
- Affordability; with good stewardship
- In line with at least the London Living Wage for London-based staff and the Real Living Wage for UK regionally-based staff

The HTB Group entities (HTB, Alpha International, the Church Revitalisation Trust and St Paul's Theological Centre) operate in close co-operation and within a shared operating model, including a harmonised pay and benefits structure for staff employed within the group entities. Whilst staff compensation is the responsibility of each entity board, authority is delegated by each to the Remuneration Committee (RemCo) to oversee group-wide remuneration. At least one representative of each entity sits on RemCo. The purpose of RemCo is to ensure that pay and benefits across the group are consistent, fair and that group-wide alignment is maintained.

Financial Review

SPTC generated income of £2,062,887 (2019: £2,050,414) comprising mainly of income from courses of £1,894,413 (2019: £1,790,385). Independent student income from Mid-week courses decreased to £598,301 (2019: £633,097), but this has been more than offset by increases in both Ordinand income to £1,220,766 (2019: £1,126,632) and Peter Stream income to £39,915 (2019: £1,600). SPTC received a £26,460 Coronavirus Job Retention Scheme grant from the Government (2019: £NIL).

In addition, there were donations and gifts received of £92,650 (2019: £203,665). These donations and gifts enable SPTC to invest in the future growth of the college, over and above its standard educational provision. SPTC usually expects a slight shortfall on costs each year; however, during the 2020 coronavirus pandemic, all teaching went online and substantial cost savings were made due to the cancellation of in-person residential courses and a decrease in general expenses such as student catering and other course costs. SPTC therefore ended 2020 with a larger than anticipated surplus on unrestricted funds of £369,385 (2019: £29,443).

SPTC has a future financial commitment to the Church Renewal Trust – a related entity holding the lease to the St Jude's building, from where SPTC operates. The Church Renewal Trust incurred significant cost over 2017 and 2018 to carry out necessary repairs to the tower and spire at St Jude's, and the deficit on this project (after a fundraising appeal) was over £700,000. In 2019, SPTC committed to paying a service fee of £70,000 a year over ten years (ending 2028) out of operating surpluses in order to contribute to this deficit.

The London Diocese has pledged £250k towards the spire repair work, contingent on successful sale of a property. The trustees believe that a favourable outcome is probable, and therefore this has been disclosed as a contingent asset in the Church Renewal Trust accounts. This contribution has the potential to reduce SPTC's commitment on the repair project, although at this stage no adjustment has been made.

Policy on reserves

It is the policy of the board of trustees not to build up reserves beyond the operating needs of the charity. SPTC generates the majority of its income from student fees, which are received at the start of each term or academic

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

year. This advance cashflow stream means that there is little requirement for reserves to be held to support operational cashflow needs. In the event of an unexpected reduction in student income for any reason, the board of trustees is confident that it has sufficient flexibility to reduce costs in line with reduction in student numbers. As a result of the significant surplus in 2020, explained above in the Financial Review section, free reserves at 31 December 2020 were £516,939 (2019: £117,364).

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way the charity undertakes its fundraising activities. All fundraising takes place in-house, and the charity does not use any professional fundraisers or commercial participators. SPTC is committed to abiding by the Code of Fundraising Practice and the Fundraising Promise.

SPTC takes precautions in our fundraising to ensure the protection of the public, including vulnerable persons from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Our fundraising team take seriously any expression of dissatisfaction we receive regarding our fundraising practice and aim to resolve any complaints as quickly as possible. Our policy is to escalate the issue internally to our Dean. If the complaint cannot be resolved, it will be further escalated to the Chair of the Board of Trustees, who will nominate an independent member of the board of trustees or an independent advisor to consider the merits of the complaint and any resulting actions. If necessary, we will contact the Charity Commission for advice and guidance. No complaints of this nature relating to fundraising were received in 2020.

SPTC has responded to the General Data Protection Regulation (GDPR), introduced in May 2018, and continues to monitor the use of data carefully, particularly concerning donor data for fundraising purposes. Our Privacy Policy covers how we use donor data, and gives donors the option to opt out of any contact or make a formal complaint. We monitor carefully the relationships we have with donors and seek to maintain a consistent means of stewardship based on the guidance of the Code of Fundraising Practice and to Fundraising Promise.

Relationships and Related Parties

Details of related parties are given in notes 16 and 17 of the financial statements.

Structure, governance and management

St Paul's Theological Centre (SPTC) is a charitable company limited by guarantee and not having a share capital. It was registered as a company on 23rd August 2005 and with the Charity Commission on 10th October 2005.

Procedures for the recruitment and appointment of trustees are laid out in the memorandum and articles of association. Trustees nominate new or replacement trustees with approval by the members. The trustees are also directors for the purpose of Company Law.

New trustees are provided with guidance notes explaining their role and responsibilities as trustees of the charity. All new trustees are fully briefed on the activities and vision of SPTC and they pursue the independent interests of the charity notwithstanding their separate responsibilities in other organisations.

Weekly management team and general staff meetings during term time deal with the day to day issues arising. An executive committee meets as and when needed to deal with wider strategy, finance and staff appointment issues arising between board meetings. The board meets a minimum of three times a year.

Trustees' Responsibilities

Company law requires the trustees to prepare accounts for each financial year which give a true and fair view of the state of the charity's affairs and of the surplus or deficit for that year. In preparing these financial statements the trustees are required to:

- select suitable accounting policies and then apply them consistently;

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

- comply with applicable accounting standards, including FRS 102, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on a 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 which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the trustees at the date of approval of this report confirms that:

1. So far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware; and
2. The trustees have taken all the steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Risk Management

The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated at least annually. Where appropriate, systems and procedures have been established to mitigate the risks that the charity faces. Procedures are in place to ensure compliance with health and safety of staff, volunteers and visitors. The schedule of major risks and mitigations identified by the board is set out on page 6.

The trustees have considered the continued impact of the coronavirus on SPTC's operations. As the college premises remains closed, high quality lectures and course content continue to be delivered online with exceptional results. The trustees are keeping the potential financial effect under review, recognising the natural cost savings from meeting online due to the reduction in on-site activity and the inability to run events and residential; these cost savings will mitigate against any potential drop in income. Student numbers for the 2020/21 academic year have remained steady and a close eye is being kept on any termly changes. Refer to Note 1 for details on our going concern assessment.

This report was approved by the board on 16th June 2021, and signed on its behalf by



The Reverend Nicky Gumbel
Chair of the board of trustees

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

Schedule of Major Risks

	Potential Risk	Mitigation
1.	SPTC/SMC fails to act with integrity or in the best interests of those whom it serves, including but not limited to its students.	<ul style="list-style-type: none"> Organisational values are clearly defined, and oversight structures are in place for senior leaders and staff.
2.	Lack of clarity over the relationship between SPTC and SMC could result in poor governance and difficulties in decision making between the two entities.	<ul style="list-style-type: none"> A close and effective relationship exists between SPTC and SMC. The Chair of SPTC is one of the three members of SMC and two other SPTC trustees also serve on the SMC board. Compliance with Charity Commission, Fundraising and other regulatory requirements is closely monitored. Conflicts of interest are considered and disclosed for all decisions related to SMC and other HTB group entities. Conflicted trustees are excluded from the decision-making process where appropriate.
3.	Lack of appropriate and compliant Health & Safety procedures results in harm to staff, volunteers or the public, exposure to legal liability, insurance claims and reputational damage.	<ul style="list-style-type: none"> Regular H&S reporting takes place. Organisation-wide training in key H&S procedures is ongoing. Internal and external H&S advisors monitor and report on risk areas identified.
4.	Lack of adequate disaster recovery planning exposes the organisation to risks from which it is unable to recover in the event of a disaster.	<ul style="list-style-type: none"> IT systems are backed up and can be accessed remotely. Business Continuity Plan is in place, which has enabled the organisation to adapt well to the work-from-home requirements this year. Training in recovery from a terrorist attack or other major event takes place across the organisation.
5.	Information or communications technology compromised, or critical data lost through cyber-attack.	<ul style="list-style-type: none"> There has been significant investment in the digital architecture to upgrade security and improve the resilience of our digital operating environment.
6.	Lack of adequate quality control results in reduced student numbers and loss of income.	<ul style="list-style-type: none"> Working closely with Dioceses of the Church of England who provide a core of the student numbers through ordination. SMC is subject to regular external reviews from Ministry Division and the Quality Assurance Agency. SMC has a Director of Education and Academic Manager who are responsible for ensuring ongoing monitoring and review.
7.	Lack of sufficient income and/or inadequate cashflow results in an inability to meet salary and creditor payments.	<ul style="list-style-type: none"> Student fees provide a form of steady income, any reduction in fees would be offset by a reduction in staff required. A Fund Development Manager has been appointed to help research additional funding possibilities.
8.	Breach of GDPR results in fines beyond what the organisation can afford to pay and/or reputational damage.	<ul style="list-style-type: none"> SMC/SPTC Operations team work with the inhouse Legal team to ensure that the organisation handles data compliantly in accordance with regulations.
9.	Loss of senior management could impact key external relationships and institutional knowledge.	<ul style="list-style-type: none"> Senior management have succession plans in place and institutional knowledge is shared. Staff pay is benchmarked appropriately and realistic notice periods are in place.
10.	Momentum building in the sector could encourage current students to seek compensation for a disrupted degree or a sector-wide review.	<ul style="list-style-type: none"> SMC/SPTC adheres to all DfE guidelines about expectations around communication with students. SMC/SPTC adheres to all regulations about ensuring quality for students.

ST PAUL'S THEOLOGICAL CENTRE

Trustees' Annual Report for the year ending 31 December 2020

11.	The coronavirus pandemic is causing operating challenges and could impact SPTC's income and/or cash flow.	<ul style="list-style-type: none">• SPTC has adapted quickly to the challenge by delivering lectures online as well as staff working remotely.• Expenditure is being carefully controlled and income closely monitored.
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S THEOLOGICAL CENTRE

Opinion

We have audited the financial statements of St Paul's Theological Centre ('the company') for the year ended 31 December 2020 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 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 December 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.

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 financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the 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 of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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 material misstatements in the trustees' annual report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S THEOLOGICAL CENTRE

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 take advantage of the small companies exemption from preparing a Strategic Report.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 4 the trustees (who are also the directors of the 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 related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST PAUL'S THEOLOGICAL CENTRE

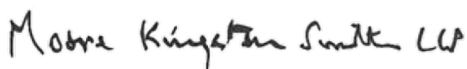
As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- 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 for 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 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.

Use of this 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: 2 July 2021

ST PAUL'S THEOLOGICAL CENTRE

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 December 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME					
Donations and legacies					
Gift aid		2,321	-	2,321	1,450
Collections, donations and grants		10,020	80,309	90,329	202,215
		<u>12,341</u>	<u>80,309</u>	<u>92,650</u>	<u>203,665</u>
Investment income					
Coronavirus Job Retention Scheme grant		283	-	283	865
		26,460	-	26,460	-
Income from charitable activities					
School of Theology courses		35,431	-	35,431	29,056
Mid-week courses		598,301	-	598,301	633,097
Mid-week courses - ordinands		1,220,766	-	1,220,766	1,126,632
Peter Stream course		39,915	-	39,915	1,600
Other Income including overseas hubs		17,281	-	17,281	24,999
Income from space rental		31,800	-	31,800	30,500
		<u>1,943,494</u>	<u>-</u>	<u>1,943,494</u>	<u>1,845,884</u>
TOTAL INCOME		<u>1,982,578</u>	<u>80,309</u>	<u>2,062,887</u>	<u>2,050,414</u>
Expenditure on Raising funds					
Costs of raising funds	3	6,972	-	6,972	11,802
Expenditure on Charitable activities					
	4				
School of Theology courses		79,507	7,151	86,658	113,848
Mid-week courses		1,350,377	117,756	1,468,133	1,682,839
Wider ministry of SPTC		31,764	2,854	34,618	38,781
Development of site		143,573	1,673	145,246	180,042
		<u>1,605,221</u>	<u>129,434</u>	<u>1,734,655</u>	<u>2,015,510</u>
TOTAL EXPENDITURE		<u>1,612,193</u>	<u>129,434</u>	<u>1,741,627</u>	<u>2,027,312</u>
Net operating income / (expenditure)		<u>370,385</u>	<u>(49,125)</u>	<u>321,260</u>	<u>23,102</u>
Gain/(loss) on multi-employer pension scheme deficit reduction plan	18	(1,000)	-	(1,000)	31,000
Net income / (expenditure) and net movement in funds		<u>369,385</u>	<u>(49,125)</u>	<u>320,260</u>	<u>54,102</u>
Funds brought forward at 1 January		165,643	63,613	229,256	175,154
Transfer funds from Restricted to Unrestricted		14,000	(14,000)	-	-
Funds carried forward at 31 December		<u>549,028</u>	<u>488</u>	<u>549,516</u>	<u>229,256</u>

All amounts are derived from continuing activities.

The notes on pages 14 to 23 form part of these financial statements.

All recognised gains and losses are included in the statement of financial activities. The statement of financial activities also complies with the requirement for an income and expenditure account under the Companies Act 2006.

ST PAUL'S THEOLOGICAL CENTRE

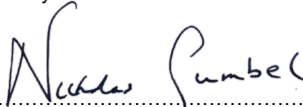
BALANCE SHEET

as at 31 December 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Intangible assets	7	21,860	23,099
Tangible fixed assets	8	10,229	25,180
Total Fixed assets		<u>32,089</u>	<u>48,279</u>
CURRENT ASSETS			
Debtors	9	170,863	93,039
Cash at bank and in hand	10	483,787	228,823
Total current assets		<u>654,650</u>	<u>321,862</u>
LIABILITIES: AMOUNTS FALLING DUE WITHIN ONE YEAR	11	(126,223)	(121,885)
NET CURRENT ASSETS		<u>528,427</u>	<u>199,977</u>
LIABILITIES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	12, 18	(11,000)	(19,000)
NET ASSETS		<u>549,516</u>	<u>229,256</u>
FUNDS			
Unrestricted			
- General funds		549,028	165,643
Restricted	14	488	63,613
		<u>549,516</u>	<u>229,256</u>

Registered No. 5543940

Approved by the Board on 16th June 2021 and signed on its behalf by:


.....

The Rev'd Nicky Gumbel
Chairman of the board of trustees

The notes on pages 14 to 23 form part of these financial statements.

ST PAUL'S THEOLOGICAL CENTRE

STATEMENT OF CASHFLOWS

For the year ended 31 December 2020

	Note	2020 £	2019 £
Net income / (expenditure)		320,260	54,102
Adjustments for:			
Depreciation	8	14,951	15,514
(Increase)/Decrease in debtors		(77,825)	26,333
(Decrease)/Increase in creditors		(3,662)	(153,873)
Net cash inflow from operating activities		<u>253,724</u>	<u>(57,924)</u>
<u>Investing Activities</u>			
Purchase of tangible fixed assets	8	-	(9,355)
Purchase/disposal of intangible fixed assets	7	1,240	(4,619)
Increase in cash and cash equivalents		<u>254,964</u>	<u>(71,898)</u>
Cash brought forward at 1 January		<u>228,823</u>	<u>300,721</u>
Cash carried forward at 31 December		<u>483,787</u>	<u>228,823</u>

ST PAUL'S THEOLOGICAL CENTRE

Notes to the financial statements For the year ended 31 December 2020

1. Accounting policies

Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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

Funds

General funds represent the funds of the Charity that are not subject to any restrictions regarding their use and are available for application on the general purposes of the charity. Funds designated for a particular purpose by the Charity are also unrestricted. Restricted funds represent those received for specific purposes as specified by the donors.

The accounts include all transactions, assets and liabilities for which the Charity is responsible in law.

Going concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions, including those as a result of the coronavirus pandemic, 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 potential impact of a reduction in course income, as a result of the coronavirus pandemic.

While the coronavirus pandemic is causing significant operating challenges, and could impact SPTC's income and/or cash flow, SPTC has adapted quickly to the challenge by moving online and continuing to deliver teaching virtually with SPTC staff working remotely. Student numbers remain consistent, however there still remains some uncertainty as to whether the full target will be met. The trustees are keeping the potential financial effect under review with steps already taken to reduce costs (aided by the reduction in on site activity) in order to mitigate against any drop in student numbers and therefore income. The trustees have therefore concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

Income

Voluntary income and capital sources

Planned giving receivable under Gift Aid is recognised when the charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the charity is probable.

Income tax recoverable on Gift Aid donations is recognised when the income is received.

Grants and legacies to the Charity are accounted for as soon as the Charity is notified of its legal entitlement, the amount due is quantifiable and its ultimate receipt by the charity is probable.

Income from investments

Interest entitlements on bank accounts are accounted for as they accrue.

Expenditure

Pension costs

SPTC makes available a defined contribution pension scheme for staff. SPTC also participates in the Church of England Funded Pension Scheme for Stipendiary Clergy (see note 18). All pension costs are charged in the financial statements as they fall due.

Expenditure

Expenditure is charged to the Statement of Financial Activities as it falls due, and is analysed according to its nature between the following categories:

- Expenditure on raising funds
- Expenditure on charitable activities

As reflected in note 17 (Related Parties), a strong partnership and working relationship is enjoyed between HTB, Alpha International (AI), St Paul's Theological Centre and the Church Revitalisation Trust. Shared service costs (known as Central Services) are borne by HTB and then recharged to the other charities using the most appropriate driver for each service cost type. These support costs are then allocated between charitable activities based on estimates of the resources employed by Central Services towards each of these activities.

Fixed assets

The charity capitalises any fixed assets over £1,000.

These assets are depreciated on a straight line basis over their estimated useful economic lives. The periods used are as follows:

Computer equipment:	2 years
Furniture & Fittings:	3 years
Other equipment:	3 years
Intangible assets (computer software):	2 years

Intangible assets

Software costs have been capitalised at historic costs and amortised on a straight line basis over 2 years.

Current assets

Amounts owing to the Charity at 31 December are shown as debtors after providing for amounts that it is thought may prove uncollectable.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1. Accounting policies (continued)

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, when 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 exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 9 and 11 for the debtor and creditor notes.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Operating lease

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

(i) Useful Economic Lives

The annual depreciation charge for property, plant and equipment is sensitive to change in the estimated useful economic lives and residual value of assets. These are reassessed annually and amended where necessary to reflect current circumstances.

(ii) Pension scheme liability

The pension liability relies on actuarial assumptions (see note 18 for further details).

(iii) Support Cost Allocation

The allocation of support costs from Central Services is based on estimates of the resources used by Central Services on each of these activities.

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the associated costs for which the grant is intended to compensate. This includes £26,460 of Government assistance under the Coronavirus Job Retention Scheme (CJRS) relating to staff who were furloughed due to Covid-19.

ST PAUL'S THEOLOGICAL CENTRE

Notes to the financial statements For the year ended 31 December 2020

2. Comparative Statement of Financial Activities

The following table analyses 2019's income and expenditure between unrestricted and restricted funds:

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
INCOME			
Donations and legacies			
Gift aid	1,450	-	1,450
Collections, donations and grants	39,346	162,869	202,215
	<u>40,796</u>	<u>162,869</u>	<u>203,665</u>
Investment income	865	-	865
<u>Income from charitable activities</u>			
School of Theology courses	29,056	-	29,056
Mid-week courses	633,097	-	633,097
Mid-week courses- ordinands	1,126,632	-	1,126,632
Peter Stream Course	1,600	-	1,600
Other Income including Overseas hubs	24,999	-	24,999
			0
Income from space rental	30,500	-	30,500
	<u>1,845,884</u>	<u>-</u>	<u>1,845,884</u>
TOTAL INCOME	<u>1,887,545</u>	<u>162,869</u>	<u>2,050,414</u>
<u>Expenditure on Raising funds</u>			
Costs of raising funds	11,802	-	11,802
<u>Expenditure on Charitable activities</u>			
School of Theology courses	104,012	9,836	113,848
Mid-week courses	1,561,639	121,200	1,682,839
Wider ministry of SPTC	35,168	3,613	38,781
Development of site	176,481	3,561	180,042
	<u>1,877,300</u>	<u>138,210</u>	<u>2,015,510</u>
TOTAL EXPENDITURE	<u>1,889,102</u>	<u>138,210</u>	<u>2,027,312</u>
Net operating income / (expenditure)	<u>(1,557)</u>	<u>24,659</u>	<u>23,102</u>
Gain/(Loss) on multi-employer pension scheme deficit reduction plan	31,000	-	31,000
Net income / (expenditure) and net movement in funds	<u>29,443</u>	<u>24,659</u>	<u>54,102</u>
Funds brought forward at 1 January	136,200	38,954	175,154
Funds carried forward at 31 December	<u>165,643</u>	<u>63,613</u>	<u>229,256</u>

3. Costs of raising funds

These are the costs incurred in fundraising.

ST PAUL'S THEOLOGICAL CENTRE

Notes to the financial statements For the year ended 31 December 2020

4. Support costs

Support costs for St Paul's Theological Centre have been allocated to the various courses, events and projects on the basis of workload involved in running them.

Support costs have been apportioned as follows:

	School of Theology Courses	Weekday Courses	Wider Ministry(Hubs)	St Jude's Development	Total	Total
	2020 £	2020 £	2020 £	2020 £	2020 £	2019 £
Legal	1,305	21,587	522	308	23,722	22,772
Media, Production and Moving Image	54	892	22	13	981	3,121
Property costs	6,389	105,703	2,555	1,510	116,157	156,190
IT	4,764	78,817	1,905	1,126	86,612	70,030
Finance	3,185	52,705	1,274	753	57,918	45,115
HR	2,730	45,176	1,092	645	49,644	43,809
Operations	3,329	55,084	1,332	787	60,532	74,607
Total Support costs:	21,756	359,964	8,702	5,142	395,564	415,644
Salaries and Accommodation	57,869	952,873	23,096	13,535	1,047,372	940,732
Other general management	2,567	42,273	2,820	600	48,260	100,532
Direct costs	4,465	113,024	-	125,969	243,458	558,602
Total on Statement of Financial Activities:	86,658	1,468,133	34,618	145,246	1,734,655	2,015,510

As reflected in note 17 (Related Parties), a strong partnership and working relationship is enjoyed between HTB, AI, CRT and SPTC. All shared Support and Creative Services (known as Central Services) are allocated to each of the charities using the most appropriate driver for each department in Central Services.

5. Audit costs and Depreciation

	2020 £	2019 £
Net income/(expenditure) is stated after charging:		
Auditor's remuneration - current year estimate	3,950	3,575
Under accrual for prior year	-	750
	<u>3,950</u>	<u>4,325</u>
Depreciation	14,951	15,514

6. Staff costs	2020 £	2019 £
Wages and salaries	1,131,968	972,900
Social security costs	107,452	91,668
Pension costs	50,347	42,808
	<u>1,289,766</u>	<u>1,107,376</u>

As disclosed in note 17 (Related Parties), there is a close working relationship between HTB, AI, SPTC, and CRT2. The Central Services staff who support all of the charities with 'back office' functions are employed by HTB, and their costs (together with the costs of their departments) are allocated across the entities using the most appropriate basis for each support service. The staff costs and information in this note includes the proportionate share of these Central Services staff, as well as the relevant share of ministry staff who split their time across the charities due to the nature of their roles.

The costs of some members of the HTB clergy were cross-charged for work which was done for SPTC. However, as these clergy members are employed by the Diocese of London and not by HTB, their costs have not been included in the salary figures shown above.

The average monthly number of full time equivalent employees was 31 (2019: 29).

The number of employees whose total benefits (excluding pension) were greater than £60K was 1 (2019: 0), as follows:

£60K-£70K bracket - 1

Central Services staff are on the HTB payroll but serve HTB, AI, SPTC and CRT - each of which bear a portion of their costs. Relevant details of their remuneration can be found in the 'Staff Costs' note in the HTB Financial Statements.

None of the trustees received remuneration for services as employees or consultants during the year, or for services as trustees (2019: £Nil) – refer to note 16 for further details.

Key Management Personnel

The key management personnel of SPTC comprises of the Principal and the Assistant Dean of SPTC. The total employee remuneration (including pension and Employer NIC) was £98,237 (2019: £76,586).

The key management personnel of the Central Service function which serves HTB, AI, SPTC, and CRT2 comprise the Group Director of People and the HTB Group Chief Operating Officer. The total employee benefits (including pension and Employer NIC) of these key management personnel was £191,078 (2019: £174,821); SPTC only bore a portion of these costs - £13,666 (2019: £12,505).

Redundancy/termination payments

These totalled £2,559 for the year (2019: £900), and include statutory payments as well as ex-gratia amounts where these were considered appropriate. This includes SPTC's share of any Central Services redundancies.

ST PAUL'S THEOLOGICAL CENTRE

Notes to the financial statements For the year ended 31 December 2020

7. Intangible fixed assets

	Computer Software £
COST	
Opening balance at 1 January 2020	23,100
Additions	-
Disposals	(1,240)
Closing balance at 31 December 2020	<u>21,860</u>

As at the 31 December 2020, this asset is yet to be brought into use and therefore no amortisation has been charged for the period.

8. Tangible fixed assets

	Computer Equipment £	Furniture & Fittings £	Other Equipment £	Total £
COST				
Opening balance at 1 January 2020	23,361	17,528	52,089	92,978
Additions	-	-	-	-
Closing balance at 31 December 2020	<u>23,361</u>	<u>17,528</u>	<u>52,089</u>	<u>92,978</u>
DEPRECIATION				
Opening balance at 1 January 2020	19,140	16,853	31,805	67,798
Charge for 2020	4,092	675	10,184	14,951
Closing balance at 31 December 2020	<u>23,232</u>	<u>17,528</u>	<u>41,989</u>	<u>82,749</u>
NET BOOK VALUE				
At 31 December 2019	<u>4,221</u>	<u>675</u>	<u>20,284</u>	<u>25,180</u>
At 31 December 2020	<u>129</u>	<u>-</u>	<u>10,100</u>	<u>10,229</u>

9. Debtors

	2020 £	2019 £
Trade debtors	34,847	-
Prepayments and accrued income	50,997	46,380
Balance owed by HTB	9,728	7,209
Sundry debtors	5,767	5,447
Balance owed by St Mellitus College	69,524	34,003
	<u>170,863</u>	<u>93,039</u>

10. Cash at bank and in hand

	2020 Unrestricted	2020 Restricted	2020 £	2019 £
Cash at bank	483,299	488	483,787	228,823

11. Liabilities: Amounts due within one year

	2020 £	2019 £
Creditors for goods and services	1,307	9,365
Taxation and social security	27,387	20,910
Accruals and deferred income	97,530	91,610
Total	<u>126,223</u>	<u>121,885</u>

All deferred income relates to and will be released in the following financial year.

12. Liabilities: Amounts due in greater one year

	2020 £	2019 £
Church of England Funded Pension Scheme liability (see note 18)	<u>11,000</u>	<u>19,000</u>

13. Analysis of Net Assets by Fund

	General funds £	Restricted funds £	Total 2020 £	Total 2019 £
Fixed assets	10,229	-	10,229	25,180
Intangible Assets	21,860	-	21,860	23,099
Debtors	170,863	-	170,863	93,039
Cash at bank and in hand	483,299	488	483,787	228,823
Liabilities	(137,223)	-	(137,223)	(140,885)
Total	<u>549,028</u>	<u>488</u>	<u>549,516</u>	<u>229,256</u>

ST PAUL'S THEOLOGICAL CENTRE

Notes to the financial statements For the year ended 31 December 2020

14. Restricted Funds

	2020 Opening Balance £	2020 Income £	2020 Transfer to Unrestricted Funds £	2020 Expenditure £	2020 Closing £
World wide development of SPTC - funding towards the development of SPTC overseas	63,111	-	(14,000)	(49,111)	-
World wide leadership training - funding for media resources, youth training and lectures	502	44,309		(44,323)	488
Support of Peter Stream - funding towards Peter Stream Ministry	-	36,000		(36,000)	-
Total Restricted Funds	63,613	80,309	(14,000)	(129,434)	488

15. Commitments

As at 31 December 2020 SPTC had the following operating lease commitment:

	2020 £	2019 £
Not later than one year	5,500	27,500
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	5,500	27,500
As at 31 December 2020 SPTC (SMC) was committed to a new student database	7,854	4,900

On 14 December 2018, the SPTC Board agreed to pay the unfunded costs of the emergency spire repair work carried out in 2017 and 2018 at St Jude's Courtfield Gardens. These payments could be accelerated at the board's discretion, however the original intent was for SPTC to pay the Church Renewal Trust £70,000 per annum, over a period of ten years.

The London Diocese has pledged £250k towards the spire repair work, contingent on successful sale of a property they own. The directors believe that a favourable outcome is probable, and therefore this has been disclosed as a contingent asset in the Church Renewal Trust. This has the potential to reduce SPTC's commitment on the spire to end mid 2025, although at this stage no adjustment has been made and current expected timescale is ending 2028.

Not later than one year	70,000	70,000
Later than one year but not later than five years	280,000	280,000
Later than five years	210,000	280,000
	560,000	630,000

ST PAUL'S THEOLOGICAL CENTRE

Notes to the financial statements
For the year ended 31 December 2020

16. Related Parties (see Related Entities, below)

None of the trustees were reimbursed expenses during the year (2019: none).

TRUSTEE	RELATED TRUSTEESHIPS	REMUNERATION FOR NON TRUSTEE SERVICES	RELATED PARTY PAYMENTS
Nicky Gumbel	Alpha International (Trustee, Member and Chair of the Board), Holy Trinity Brompton (Trustee and Chair of PCC), Church Revitalisation Trust (Trustee, Member and Chair of the Board), The Church Renewal Trust (Trustee, Member and Chair of the Board) and St Mellitus College Trust (Trustee).	£Nil (2019: £Nil)	SPTC paid a grant to St Peter's Brighton to cover the costs of the time Jonny Gumbel (son and Associate Vicar of St Peter's) spent on SMC work during the year.
Andrew Brydon	Holy Trinity Brompton (Trustee), Church Revitalisation Trust (Member) and Alpha International (Member).	£Nil (2019: £Nil)	None
Jeremy Jennings	The Church Renewal Trust (Trustee and Member) and Alpha International (Member).	£Nil (2019: £Nil)	Jeremy Jennings is employed by HTB and Church Revitalisation Trust.
Angus Winther	Alpha International (Member), Holy Trinity Brompton (Trustee), Church Revitalisation Trust (Trustee), St Mellitus College Trust (Trustee), Ecclesiastical Insurance Office PLC (Director) and Ecclesiastical Insurance Group PLC (Director).	£Nil (2019: £Nil)	Ecclesiastical acts as insurers to the HTB Group. The 2020 insurance premium for SPTC amounted to £5,410 (2019: £4,656) and was cross-charged by HTB.
Genevieve Mensah	Church Revitalisation Trust (Member) and Holy Trinity Brompton (Trustee).	£Nil (2019: £Nil)	None
Kathleen Chew	Alpha International (Trustee).	£Nil (2019: £Nil)	None
Richard Coates	Church Revitalisation Trust (Trustee), St Mellitus College Trust (Trustee) and St Peter's Brighton (Trustee).	£Nil (2019: £Nil)	None
Sarah Jackson	Holy Trinity Brompton (Trustee from 1 July 2020).	£Nil (2019: £Nil)	None
Sir Paul Marshall	Church Revitalisation Trust (Trustee).	£Nil (2019: £Nil)	None
Miles Toulm	Holy Trinity Brompton (Trustee).	£Nil (2019: £Nil)	None

17. Related Entities

ENTITY	INCOME	EXPENDITURE	BALANCE OWED TO/ (FROM) SPTC AT YEAR END	NOTES
The Church Renewal Trust (CRT1)	£Nil (2019: £Nil)	£70,000 (2019: £100,000)	£Nil (2019: £Nil)	The Church Renewal Trust was responsible for the development of St Jude's, Courtfield Gardens which was officially opened on 27 November 2012 as the new home of SPTC and SMC. CRT1 holds the lease of 125 years on St Jude's with the Diocese of London. In 2018 CRT1 finished repair of the tower and spire at St Jude's, Courtfield Gardens. As outlined in note 15, SPTC will carry on payments of £70,000 per year for next 8 years as a service fee towards these repairs.
Church Revitalisation Trust (CRT)	£36,000 (2019: £12,000)	£Nil (2019: £Nil)	£Nil (2019: £Nil)	During 2020, Church Revitalisation Trust granted SPTC a donation specified towards support of Peter Stream Ministry.
Holy Trinity Brompton (HTB)	£Nil (2019: £Nil)	£Nil (2019: £Nil)	£9,175 (2019: £7,209)	SPTC bears a share of Central Services costs charged by HTB (see note 6).

17. Related Entities (Continued)

ENTITY	INCOME	EXPENDITURE	BALANCE OWED TO/ (FROM) SPTC AT YEAR END	NOTES
St Mellitus College Trust (SMC)	£1,908,062 (2019: £1,842,296).	£71,649 (2019: £399,860)	£69,524 (2019: £34,003)	SPTC has a very close working relationship with St Mellitus College (formerly the North Thames Ministerial Training Course). The governing structure of SMC stipulates that the Board should include nominees of the SPTC board and in 2020 these were Rev'd Nicky Gumbel, Mr Angus Winther and Rev'd Richard Coates.

18. Pension Liability Note

St Paul's Theological Centre participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body 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 it is not possible to attribute the Scheme's assets and liabilities to each 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 (2020: £29,281, 2019: £28,702), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge in 2020 of £21,281 (2019: gain £10,298).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumptions:

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 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 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

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

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	19,000	58,000
Deficit contribution paid	(9,000)	(9,000)
Interest cost (recognised in SoFA)	-	1,000
Remaining charge to the balance sheet liability* (recognised in SoFA)	1,000	(31,000)
Balance sheet liability at 31 December	11,000	19,000

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

18. Pension Liability Note (Continued)

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2%	1.1% pa	2.1% pa
Price inflation	3.1%	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6%	1.3% pa	1.6% pa

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