

Lindisfarne College of Theology Limited

Trustees' Report & Financial Statements

Year ended 31 August 2022

Company no 06905282

Charity no 1136478

LINDISFARNE COLLEGE OF THEOLOGY LIMITED
TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2022

Annual report

Legal objects	1
Aims and Objectives	1
Achievements in the year	1
Future Plans	2
Financial review	2
Structure and Governance	3
Trustees' responsibilities	4
Administrative details	5
Independent Examiners Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Financial Statements	9-15

The trustees, who are also directors for the purposes of company law, present their combined trustees' report and directors' report, together with the financial statements, for the year ended 31 August 2022.

Legal Objects

Lindisfarne College of Theology Limited ("LCT") is the provider of part time non-residential IME1 (Initial Ministerial Education) training for Ordinands and Readers for the Dioceses of Durham and Newcastle. We will deliver this contract to the highest standards, and further develop the detail of our programmes to meet the emerging needs of the Dioceses of Newcastle and Durham students. We also have an increasing number of independent students and continuing students seeking higher level qualifications.

Aims and objectives

Our Mission

Lindisfarne exists to support the Church in the North East by encouraging discipleship in communities of Christian learning.

Our Aim

To advance the Christian religion by the promotion and delivery of education for discipleship, initial ministerial education, and continuing development for ordained and lay members within the region.

The 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 LCT. The trustees believe that, by promoting the work of Christian Churches, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the region as a whole and in its individual communities and parishes, and that in doing so it provides a benefit to the public by:

- providing facilities for public worship, pastoral care and spiritual, moral and intellectual development, both for its 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.

Achievements in the year

LCT continues to be an established vibrant and confident provider of theological opportunity, education and training, offering a range of high-quality, well-managed programmes.

Major achievements and key activities in the year include:

- continued high standards of academic achievement;
- the growth of a Common Awards MA Programme (now in its third year);
- providing an academic programme held in high regard by the National Ministry Team of the Church of England Durham University's Common Awards;
- providing a programme of training for ministry that is deeply valued by both Dioceses of Newcastle and Durham;
- establishing a new 2 year pathway for Licensed Lay Ministers, and the addition of a new strand of training for ALMOW ministry for the Diocese of Durham;
- growing the core teaching staff and the team of committed associate and personal tutors;
- responding to Living in Love and Faith, and From Lament to Action, and placing them at the heart of all we do;
- exploring a Full Time Context Based pathway training option with the Diocese of Newcastle;
- exploring Additional Vocational Pathways with the Northern Province;
- building the Environmental Response Group and achieving a Bronze Award from A Rocha;
- successfully delivering of the Pastoral Ministry Course in the Diocese of Durham again, which included training Lay Chaplains;
- leading the students on an Easter Pilgrimage to Auschwitz/Birkenau;
- offering the 5th Lindisfarne Lecture programme;

- growing the function of the alumni network who organized their first social event as part of an annual programme, and further support the work of the College more effectively.

Future plans

Lindisfarne College of Theology (LCT) continues to be the theological teaching partner of choice for the Dioceses in respect of non-residential training for ministry. We will seek to continue to meet the needs of these commissioning partners in delivering high quality ministerial training for Readers and Ordinands that is in line with the Church of England's national guidelines for ministerial training. This will include seeking new opportunities to provide training for discrete lay ministries and education for discipleship, strengthening our financial position.

LCT will continue to focus on these four core areas:

- being known for outstanding theological training;
- retaining our teaching capacity;
- diversifying the range of courses offered so that we can respond to the need for a greater range of ministries and support lay training more widely;

During the next 12 months we will:

- strengthen and build on our relationships with both Dioceses, and endeavour to provide a closer relationship with them as their preferred training organisation for ministerial students and theological learning;
- work with other local TEI's in particular Cranmer Hall to explore improved collaboration for a combined training offer in the region, particularly in relation to full-time context-based training for ministry;
- continue to review our development and financial plans, including plans to generate additional independent student numbers;
- take our Ordinands on a pilgrimage to the Holy Land to bring to life the world of scripture.
- grow our SEND and Diversity support so that students of all backgrounds can feel supported and valued
- continue to build our alumni community and strengthen our community identity and spirit to increase fundraising, and also increasing our grant funding applications;
- continue to participate in the Church of England Ministerial Experience Volunteer (MEV) in the Diocese of Durham and the Ministry Experience Scheme (MES) in the Diocese of Newcastle;
- explore new opportunities within our existing markets for a broader provision of education for discipleship/ministry within the Church of England. The channels are in place to do this, and we are sufficiently flexible and versatile to shape our organisation to meet these new challenges, which, we believe, reflect a fundamental shift in the way the Church will work in the future.

Financial review

Overall financial position

Income totalled £255,043 (2021: £281,150) and expenditure amounted to £301,066 (2021: £252,843). The Statement of Financial Activities (SOFA) for the year shows net shortfall of £47,401 (2021: surplus £40,417). The net movement in funds resulted in an decrease in total funds from £274,551 to £227,150.

Principal funding sources

In the year to 31 August 2022, 76% of our income came from diocesan course fees and of the remaining 24%, 21% was from other course fees.

Review of financial position

The balance sheet has decreased by £47,401 during the year. Trustees are satisfied with the year end result and financial position and have addressed several of the issues which contributed to a year where student numbers were not as high as hoped, and are comfortable that this trend will be reversed in the coming and future years.

Going concern

After the impact of Covid-19, the trustees have considered the charity's financial sustainability over the next financial year and beyond. As discussed above, the charity retains a level of reserves which would help to mitigate any immediate financial pressures and manage anticipated cashflow needs in the coming year.

The present financial position is further supported by a commitment from the Dioceses to maintain the current relationship on an ongoing basis.

After making appropriate enquiries, the trustees have a reasonable expectation that the charity 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.

Reserves policy

LCT currently has reserves totalling £227,150, of which £225,310 are free reserves (unrestricted reserves excluding fixed assets). The priority has been to build towards a position where it has free reserves equivalent to at least four months' employment costs of its direct employees and also accommodation costs. The value of free reserves required is a minimum of £61,666. The trustees are satisfied that the current level of reserves is satisfactory bearing in mind the current funding climate, with the assurance of its partners in the event of lower student numbers than required as per contracts.

Taxation

The company is a registered charity which is exempt from UK income tax, corporation tax and capital gains tax as long as the income it receives is applied for charitable purposes.

Structure and Governance

LCT is governed by the provisions contained within its Memorandum and Articles of Association, the requirement of its partner institutions and other statutory and charity laws.

The statutory governing body also known as the Board of Trustees, normally meets four times a year.

LCT was incorporated on 14 May 2009 as a limited company (No. 06905282) and its governing documents are the Memorandum and Articles of Association. LCT is registered with the Charity Commissioners (No. 1136478). Revised Articles of Association were adopted on 25th May 2017.

Every member has a personal limited liability to £10 under their guarantee as company members in the event of it being wound up.

Decision-making structure

The Board of trustees are responsible for the vision, strategy, and policy of LCT.

The Board has delegated responsibility for the day-to-day management of the company to the Principal, working with the Chair. This includes:

- Advising on action needed to raise the income necessary to finance expenditure;
- Advising founder members of the financial aspects of its policy and on any other matters referred to it;
- Preparation of an annual budget;
- Budgetary control within the approved budget.

Appointment of Board of Trustees

The trustees are members of the Board (see page 5). All trustees are appointed as per the Articles of Association. Trustees receive on-going training, as appropriate.

Sub-committee structure

In accordance with clause 40 of the Articles of Association, the Board of trustees has established one sub-committee the Board of Studies and the TEI Management Committee for the Common Awards programmes. The functions of the Board of Studies are to:

- Make recommendations to the staff about addressing student and tutor needs;
- Make recommendations to the Board of Examiners about awards;

- Make recommendations to the BA in Theology, Ministry and Mission (BATMM) Joint Working Group about operational issues in the Initial Ministerial Education programme;
- Encourage consistency in marking;
- Handle appeals from and about students and tutors;
- Determine, where appropriate, whether students need to re-present assignments or re-take particular modules.

Trustees' responsibilities

The Board (who are also directors of Lindisfarne College of Theology for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires that the Board are to prepare financial statements for each financial year. Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

Related parties

The trustees acknowledge that related party transactions may occur.

Any decision by a charity to enter into a transaction ought to be influenced only by the consideration of the charity's own interests. This does not necessarily mean that all transactions with related parties are influenced by the consideration of interests other than the charities nor that they are liable to invalidation, but transparency is important and therefore information about such transactions is necessary.

Connected charities

Following the adoption of the revised Articles of Association in May 2017, the trustees consider there are no connected charities.

Pension scheme

The Church of England Pensions Board is responsible for the Clergy Pension Fund and the Church Workers Pension Fund and it is to this body that the LCT pays retirement benefit contributions for its employees (see note 12 to the accounts).

Risk management

The Board confirm that the major risks to which the LCT are exposed, as identified by the Board and staff, have been reviewed and that systems and procedures have been established to manage those risks. The Board will ensure that risks are reviewed and managed as part of the risk management strategy.

Appointment of Independent Examiner

UNW LLP have been re-appointed as Independent examiner

By Order of the Board

The Revd Canon Dr A Bartlett
Joint Acting Chair

19th January 2023

Administrative Details

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

Canon Isabella McDonald-Booth (Chair) (Ended 31 August 2022)
The Revd Dr D E G Whiting
The Revd Dr B H Carter (ended 25 November 2021)
The Revd Canon Dr. A Bartlett (Joint Acting Chair from 1 September 2022)
The Revd S McCormack (Joint Acting Chair from 1 September 2022)
A Blackburn (ended 21 July 2022)
J Hewitt
S Morgan (from 20 January 2022)
Ven Rachel Wood Archdeacon of Northumberland (from 20 October 2022)

Independent examiner

UNW LLP
Chartered Accountants
Citygate, St. James' Boulevard
Newcastle upon Tyne
NE1 4JE

Bankers

Co-operative Bank Plc
PO Box 250, Skelmersdale
WN8 6WT

Solicitors

Sintons LLP
The Cube, Barrack Road
Newcastle upon Tyne
NE4 6DB

Registered Office

Church House, St John's Terrace
North Shields, NE29 6HS
(Telephone: 01912 704144) (Fax: 01912 704101)
(Website: www.lindisfarnect.org)
(Email: enquiries@lindisfarnect.org)

Company registered number: 06905282

Registered charity number: 1136478

Independent examiner's report to the trustees of Lindisfarne College of Theology ('the company')

I report to the charity trustees on my examination of the accounts of the company for the year ended 31 August 2022.

This report is made solely to the company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. My work has been undertaken so that I might state to the company's trustees those matters I am required to state to them in an independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's trustees as a body, for my work or for this report.

Responsibilities and basis of report

As the trustees of the company (and its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 ('the 2006 Act').

Having satisfied myself that the accounts of the company are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the company's accounts carried out under section 145 of the Charities Act 2011 ('the 2011 Act'). In carrying out my examination I have followed the Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Independent examiner's statement

Since the company's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of the Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I can confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

1. accounting records were not kept in respect of the company as required by section 386 of the 2006 Act; or
2. the accounts do not accord with those records; or
3. the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a 'true and fair' view which is not a matter considered as part of an independent examination; or
4. the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Anne Hallowell BSc FCA DChA

UNW LLP

Newcastle upon Tyne

Date: 19 January 2023

LINDISFARNE COLLEGE OF THEOLOGY LIMITED

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Income from					
Diocesan course fees	2	193,644	-	193,644	177,778
Income from charitable activities:					
Other income		7,748	778	8,526	31,097
Other course fees		52,656	-	52,656	72,132
Bank Interest		217	-	217	143
Total income		<u>254,265</u>	<u>778</u>	<u>255,043</u>	<u>281,150</u>
Expenditure on					
Charitable activities	3	300,164	902	301,066	252,843
Total expenditure		<u>300,164</u>	<u>902</u>	<u>301,066</u>	<u>252,843</u>
Net expenditure before investment (losses)/gains	4	(45,899)	(124)	(46,023)	28,307
Net (loss)/gain on investment					
Unrealised (loss)/gain on investment assets	8	<u>(1,378)</u>	<u>-</u>	<u>(1,378)</u>	<u>12,110</u>
Net (expenditure)/income		(47,277)	(124)	(47,401)	40,417
Reconciliation of funds					
Total funds brought forward		272,938	1,613	274,551	234,134
Total funds as at 31 August 2022	13	<u>225,661</u>	<u>1,489</u>	<u>227,150</u>	<u>274,551</u>

LINDISFARNE COLLEGE OF THEOLOGY LIMITED
BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	7	351	677
Investments	8	<u>68,551</u>	<u>69,929</u>
		68,902	70,606
Current assets			
Debtors	9	-	2,213
Cash at bank		<u>179,536</u>	<u>209,249</u>
		179,536	211,462
Creditors: amounts falling due within one year	10	(21,288)	(6,517)
Net current assets		<u>158,248</u>	<u>204,945</u>
Total assets less current liabilities		227,150	275,551
Creditors: amounts falling due after one year	11	-	(1,000)
Net assets		<u>227,150</u>	<u>274,551</u>
The funds of the charity			
Unrestricted income funds(including investments revaluation reserve of £38,552 (2021: £39,930)	13	225,661	272,938
Restricted income funds	13	1,489	1,613
Total Funds		<u>227,150</u>	<u>274,551</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements were approved by the members of the Board on the 19th January 2023 and are signed on their behalf by:

The Revd Canon Dr A Bartlett
Joint Acting Chair
Company number 06905282

1. Principal accounting policies

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2019), the Companies Act 2006 and applicable accounting standards (FRS 102).

The principal accounting policies and estimation techniques are as follows.

Basis of preparation

LCT prepares its annual financial statements on the basis of historical cost except for investments which are shown at market value. The financial statements are drawn up in accordance with the requirements of the Companies Act 2006. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £1.

Going concern

As set out in more detail in the trustees' report, the charity's finances have not been significantly impacted by the Covid-19 pandemic. Taking into account the levels of unrestricted reserves, cash balances and anticipated spend over the coming 12 months, the trustees have a reasonable expectation that the charity 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.

Incoming resources

All incoming resources are included in the Statement of Financial Activities (SOFA) when LCT is legally entitled to them as income or capital respectively, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

Grants received which are subject to pre-conditions for entitlement specified by the donor which have not been met at the year-end are included in creditors to be carried forward to the following year.

The principal source of income of LCT is course fee income from Durham Diocesan Board of Finance and Newcastle Diocesan Board of Finance. These are recognised in the SOFA in the period in which they are receivable.

Other sundry income is recognised in the SOFA in the accounting period in which monies are receivable.

Resources expended

Expenditure is included on the accruals basis and has been classified under headings that aggregate all costs related to the SOFA category.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 102 from including a cash flow statement in the financial statements on the grounds that LCT is a small entity.

Pensions

The LCT's staff are members of the Church Workers Pension Fund and Church of England Funded Pensions Scheme. The pension costs charged as resources expended represent the LCT's contributions payable in respect of the accounting period, in accordance with FRS 102. Deficit funding for the pension scheme to which LCT participates is accrued at current value within creditors.

Depreciation on other tangible fixed assets

Depreciation is provided in order to write off the cost (less any residual value) of other fixed assets over their currently expected useful economic lives at the following initial rates:-

<i>Computers</i>	<i>25% per annum straight line</i>
<i>Furniture and office equipment</i>	<i>20% per annum straight line</i>

Debtors

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

LINDISFARNE COLLEGE OF THEOLOGY LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

Cash at bank and in hand

Cash at bank and hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the company 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 the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Critical accounting estimates and judgements

In the opinion of the Trustees the only material estimate that impacts on the financial statements is the valuation attributed to the defined benefit pension contributions liability.

2 Diocesan course fee income	Unrestricted Funds £	Total Funds 2022	Total Funds 2021 £
Durham Diocesan Board of Finance	127,244	127,244	132,659
Newcastle Diocesan Board of Finance	66,400	66,400	45,119
	<hr/>	<hr/>	<hr/>
	193,644	193,644	177,778

3 Costs of charitable activity by activity type	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Academic costs	239,754	-	239,754	189,653
Administration costs	57,506	-	57,506	60,902
Governance costs	2,904	-	2,904	1,888
Grants given	-	902	902	400
	<hr/>	<hr/>	<hr/>	<hr/>
	300,164	902	301,066	252,843

4 Net income for the year

This is stated after charging:

	2022 £	2021 £
Depreciation	326	326
Independent examination fee	1,710	1,750

5 Employee details

Employee details

The average headcount during the year was as follows

	2022	2021
	No	No
Academic staff	3.0	3.0
Administrative staff	2.9	2.9
	<hr/>	<hr/>
	5.9	5.9
	<hr/>	<hr/>

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows:

	2022	2021
	No	No
Academic staff	2.0	2.0
Administrative staff	1.2	1.2
	<hr/>	<hr/>
	3.2	3.2
	<hr/>	<hr/>

Total staff costs were as follows:

	2022	2021
	£	£
Wages and salaries	151,402	150,451
Social security costs	14,577	14,598
Other pension costs	14,822	15,648
Movement in pension liability	-	1,000
	<hr/>	<hr/>
	180,801	181,697
	<hr/>	<hr/>

6 Trustees Remuneration and Expenses

No remuneration has been paid to any trustee in their capacity as a trustee (2021: £nil).

No trustee was reimbursed for travel, subsistence and incidental costs incurred in undertaking the role (2021: £nil).

7 Tangible Assets

	Computers, Equipment & Furniture
	£
At cost	
At 1 September 2021	5,434
	<hr/>
At 31 August 2022	5,434
	<hr/>
Accumulated depreciation	
At 1 September 2021	(4,757)
Charge for the year	(326)
	<hr/>
At 31 August 2022	(5,083)
	<hr/>
Net book value at 31 August 2022	351
	<hr/>
Net book value at 31 August 2021	677
	<hr/>

8 Investments

	Listed investments
	£
Within the United Kingdom	
At 1 September 2021	69,929
Revaluations	(1,378)
	<hr/>
At 31 August 2022	68,551
	<hr/>
Historic Cost at 31 August 2014	30,000
	<hr/>

9 Debtors

	2022	2021
	£	£
Trade debtors	-	2,213
	<hr/>	<hr/>

10 Creditors: amounts falling due within one year

	2022	2021
	£	£
Amounts falling due within one year		
Trade creditors	7,101	689
Employee/ Pension Creditors	3,481	1,118
Accruals and deferred income	8,706	1,710
Pension liability	2,000	3,000
	<hr/>	<hr/>
	21,288	6,517
	<hr/>	<hr/>

11 Creditors: amounts falling due after more than one year

Amounts falling due after more than one year	2022	2021
	£	£
Pension Liability	-	1,000

12 Pensions

Lindisfarne College of Theology Ltd 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 (2022: £4,775, 2021: £4,682), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £4,775 for 2022 (2021: £5,682).

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

- 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.

LINDISFARNE COLLEGE OF THEOLOGY LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2022

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

As at 31 December 2019, 31 December 2020 and 31 December 2021 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 2020 and over 2021 is set out in the table below.

	2021	2020
Balance sheet liability at 1 January	4,000	6,000
Deficit contribution paid	-2,000	-3,000
Interest cost (recognised in SoFA)	-	-
Remaining change to the balance sheet liability* (recognised in SoFA)	-	1,000
Balance sheet liability at 31 December	2,000	4,000

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

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

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

Lay Employees

LCT participates in the Church of England Pension Builder Scheme (PBS14 and Classic), part of the Church Workers Pension Fund. During the year to 31 August 2022, the LCT made contributions of £10,047 (2021: 10,966) and this has been taken as the pension cost shown in these accounts.

At 31st August 2022 LCT had 5 active members in PBS14 and 1 in Classic.

13 Movement in Funds

Summary of fund movements

	Balance at 1 Sep 2021 £	Incoming resources £	Outgoing resources £	Gains and losses £	Balance at 31 Aug 2022 £
Unrestricted Income Funds:					
General Funds	272,938	254,265	(300,164)	(1,378)	225,661
Restricted Funds	1,613	778	(902)	-	1,489
Total Funds	274,551	255,043	(301,066)	(1,378)	227,150

Represented by:

Analysis of net assets between funds

	Fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted Income Funds:				
General Funds	68,902	156,759	-	225,661
Restricted Funds	-	1,489	-	1,489
Total Funds	68,902	158,248	-	227,150

Analysis of net assets between funds- previous year

	Fixed assets £	Net current assets £	Long term liabilities £	Total £
Unrestricted Income Funds:				
General Funds	70,606	205,332	(3,000)	272,938
Restricted Funds	-	1,613	-	1,613
Total Funds	70,606	206,945	(3,000)	274,551

14 Related party transactions

There were no related party transactions in either period.