

REGISTERED COMPANY NUMBER: 908985 (England and Wales)
REGISTERED CHARITY NUMBER: 312101

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022
FOR
EMERSON COLLEGE TRUST LIMITED

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

EMERSON COLLEGE TRUST LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 30 June 2022

	Page
Report of the Trustees	3 to 10
Report of the Independent Auditors	11 to 13
Consolidated Statement of Financial Activities	14
Consolidated Balance Sheet	15
Charitable Company Balance Sheet	16
Cash Flow Statement	17
Notes to the Cash Flow Statement	18
Notes to the Financial Statements	19 to 34

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES **for the year ended 30 June 2022**

The trustees who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the consolidated financial statements of the Charity and its subsidiary for the year ended 30 June 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objectives and organisation of the Charity

The principal objective of the Charity is the promotion of an adult centre of training for study and research in accordance with anthroposophical educational principles with special emphasis on agriculture, arts and science. This benefits society by furthering alternative thinking in a rapidly changing world. The related objective is to administer the Emerson College Trust Limited.

In furtherance of its objects, the Charity operates the Emerson College and its Campus in Forest Row. Funds raised and donations are applied to promote study and research in anthroposophy and biodynamic agriculture. The Trustees are aware of their duty to have due regard to the Charity Commission's public benefit guidance in formulating the strategy for the Charity. They are satisfied that the objectives of the Charity are of public benefit.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

Emerson College is a vibrant College with a rich, exciting, and varied programme of courses, events, performances, and lectures. After completing a successful revival of all activities just before the start of the pandemic, the College trading ability was hit hard by the pandemic. In the past year the College has continued to develop our own courses and build up a number of successful partnerships with other course providers and individuals to offer inspiring courses on the Emerson campus in three different fields:

- Arts: visual arts, storytelling (a range of short, modular and longer courses), clowning, eurythmy, poetry, sacred geometry, ceramics, and singing.
- Care: anthroposophic nursing, anthroposophic medicine, mental health, social therapy, counselling, herbal medicine, psychotherapy, holistic baby and childcare; spiritual care for those on the journey of death, dying and working with trauma.
- Ecology: sustainable agriculture, Goethean science, water research, medicinal herb cultivation and prescribing.

Covid lockdowns as well as travel restrictions affected all students and staff, in particular our programme in China and our new training in Biodynamic Agriculture which we were not able to start. All our ongoing Emerson courses were delivered online as soon as face to face teaching was no longer possible, although new virtual courses have commenced with people in China which is proving to be very successful and capable of further growth. We operated with sensible Covid precautions in place which meant extra work in administration, cleaning, extra training for staff in infection prevention and control, and some reduction in our operational capacity.

We have prepared a new course to train professionals to work with people who have experienced trauma in collaboration with a German organisation. The course was launched in September 21 and ended in July 22.

We saw a substantial increase in bursary applications. 67 participants have been enabled to take part in trainings and courses through our bursaries for a total amount of £59,082. The larger part of the bursaries has been funded from the fund established by a former student who gave the college a legacy to enable all people to join our education regardless of their financial possibilities. The fund is open to people on Universal Credit, on low income due to caring responsibilities for a family member, artists and other professionals who were out of work due to Covid, single parents and people recovering from Covid and more. Staff and trustees are committed to provide this facility for the benefit of the general public. We have prepared a large fundraising campaign for 2023 for the bursary fund to ensure that this vital support will remain available.

During the lockdown and since, our Biodynamic Botanical Garden Campus and the attached biodynamically managed vegetable garden continues to be a hub for the onsite residents as well as some local people and remains an important place to meet others in safety, escape loneliness and connect with nature. There continues to be a growth in the number of people who came to the campus for their walks, to buy freshly grown biodynamic vegetables and to find relief from the stresses of life in our peaceful gardens. Our campus remains open to the general public and forms an important part of the village of Forest Row and the surrounding areas. We are committed to provide this facility for the benefit of the general public now and in future.

A donation from the Mahle Stiftung enabled us to buy tools for the garden, purchase water tanks to collect rainwater and improve accessibility on the campus for students and visitors. We received small donations for a total amount of £13,558 plus a legacy of £ 2,010 from Gerda Ogletree Trust and a grant of £3,337 from the Federation for European Storytelling.

From our trading subsidiary, Emerson College Enterprises Limited, a further donation of £70,360 has been received.

Our 5 art studios were occupied during the whole year and many fine pieces of art have been created and exhibited. Our residential apartments on site were rented through the year and in addition to providing homes for staff and close supporters of the College, also provided a strong source of rental income. We have also developed leases across the Campus to improve rental income from partner tenants but also contributions to the Campus service charge.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The College has continued to upgrade our student houses with small renovations (painting and new floors) together with improving the thermal efficiency of buildings, including replacing the single glazed windows in Yaeger East and West with new double-glazed units. We have also capitalised further on the installation of a fibre internet connection to further develop online teaching but also to reduce the need for travel to meetings.

While our bookings for courses and staging events were comparatively slow during 2021, during 2022 the trend showed steady improvement in the number of students coming back to the Campus. But especially during 2022, with the increasing cost of fuel and utilities leading to consumer cost inflation, there has been a trend where students are more reluctant to pay for courses in advance and to take more last-minute and cautious decisions.

To assist cashflow and liquidity during the Covid Pandemic, we agreed a £200,000 loan through the government scheme (CIBLS). In addition, our repayments to the Mercury Provident Pension Scheme employer's contribution have been fully made throughout the period.

Progress during 2021/22

Before the start of the pandemic, we had increased all our activities to sustain the Trust and plans were in place to renovate Pixton House, a listed building in the centre of the campus. The loss of income during the pandemic forced the Trustees to review our aims for the upcoming year and to adjust to the new situation resulting in the following decisions being made:

- Having secured Planning Permission and Listed Building Consent, the Board decided that the viability of the project had become unrealistic and so agreed not to proceed with the Pixton Third Age Project and to retain the listed building as the focal point for the College, our catering for students, event participants and the public and to maintain the provision of partner tenancies and Assured Shorthold Tenancies for our residents.
- Consolidated our education teaching on Ruskin House together with the use of the Eurythmy Studio, Red Studio and Storytelling Hut.
- Developed tenancies with partners who complement the College's purpose, but with leases representing a more realistic income base.
- Secured the Freehold transfer of the Upper Pixton Field from St. Anthony's Trust to the College and the long leasing of the field to the Local Sustainable CIC for children's education in biodynamic horticulture and agriculture.
- Replaced the bridge access and emergency egress to the Ruskin Building Foundation Room including the provision of a disabled access ramp that facilitated full wheelchair access to the first floor of the building.
- Improved the management and delivery of the Campus Service Charge to secure more equitable contributions to the costs of maintaining the Emerson Biodynamic Botanical Garden, the roads and car parks on the campus and the management and operation of support systems.
- Gained Demeter re-certification for the Emerson Campus whilst maintaining the Campus for public access as a place of beauty for the benefit of our community and visitors.
- Developed an online system for student enrolment and rebuilt our website to increase our reach on social media.
- Improved our donation software and ability of donors to subscribe together with increasing our fundraising efforts to support our work.

Our priorities in 2022/23

The next year provides multiple opportunities to develop the sustainability of the College through investing in key assets that will improve the condition of the buildings, but also help make them more attractive to prospective hirers and partners to run an extended range of courses. Therefore, the following will be our priorities in the coming year are:

- Rebuilding our income through the development of new courses, increased enrolment, promoting venue hire, and increased lettings, accommodation, and catering utilisation rates.
- Investing in the creation of two Co-Principal posts – one to lead Education and the second to develop and manage the Trust's fixed and variable assets. Also, to recruit a hospitality professional to lead or hospitality services and optimise the use of the facilities. These posts replace the posts of Directors of Operations and Asset Development.
- Selling the three remaining residential apartments in Yaeger East and Yaeger West buildings on 250-year leases to maximise the capital receipts.

- To create a Capital programme for the College with prioritisation to improving the tangible fixed assets and repaying the CIBLS loan.
- Enriching the cultural and creative life of Forest Row with artistic events and lectures.
- Upgrading the presentation of Pixton House by repairing roofing and increasing insulation; replacing the rotted lantern to the North Dining Room and renovation the feature lantern; replacing the roof slates and increasing insulation of the Music Room and Garden Office together with insulating and refinishing the ceilings, walls and floors; providing access for disabled people to the Garden Office and the North entrance of Pixton House and a range of associated repairs to windows, floors and décor.
- Upgrading the cooking equipment in the Pixton House main kitchen, replacing old and worn sinks and work surfaces; improving the lighting in the kitchen and all associated rooms; replacing the two industrial quality washing machines; etc.
- Installing toilet accommodation in the Eurythmy Studio and Red Studio and replacing the boiler and fuel oil supply system that together supplies heating to the Sculpture Studio, Eurythmy Studio and Red Studio.
- Replacing the roofs and associated structures of the Storytelling Hut, Large and Small Green Hut including the provision of improved thermal efficiency.
- To develop a Scheme for upgrading the Ruskin Building that will provide a first floor reception, College shop, and an administrative hub off the main car park at first floor level; the installation of a disabled platform lift and disabled toilets; an access corridor to provide independent access to Ruskin Hall at two positions; the installation of a room divider and the ability to use the Hall as two teaching or seminar spaces; opening up the ground floor of the building to increase teaching space whilst providing full internal access to all ground floor rooms and the creating of meeting hubs and ad-hoc meeting and study spaces. Linked to the improvements will be to replace the roof surfaces of the building and increase thermal efficiency; to replace the central heating and hot water boilers and to upgrade the zoning and heating controls to improve the heating sustainability of the building. This project will require securing planning permission, plus undertaking a comprehensive fund-raising programme to fully fund the works.

Campus market valuation

During 2022 the Trustees agreed to procure a Royal Institute of Chartered Surveyors professional market valuation of the Emerson Campus to better understand the value of the Campus and its buildings. The valuation was instructed to comply with the Charities (Qualified Surveyors' Report) Regulations 1992. The result was that the gross market value of the Campus minus the properties that have been sold with the benefit of long-term leases is £5,370,000. Including the sold properties, the gross value increases to £8,365,000. However, the values stated make no allowance for annual maintenance, backlog maintenance, management, or other outgoings. When these factors are included the net figures would be expected to be significantly below the gross figures.

The Trustees have no plans to sell all or part of the Campus.

The accounting convention for Charities is to value the tangible property assets in the accounts at historical value and depreciate according to the agreed conventions, rather than the market value unless the assets are investment assets which is not the case for the Emerson Campus. However, market valuations assist providing an estimate of the actual worth of the Charity and so can be helpful when financial institutions like the MPPS undertake financial risk assessments of the Charity.

Board Structure

Our Board structure, which included the Director of Asset Development and the Director of Operations together with the trustees, continues to work well but there is a need to place greater emphasis on our education role and to develop hospitality services. During the Year the following changes arose with our Trustees:

Resignations:

- Raz Levy, Trustee until 8th July 2022.
- Kira Alise Orsak, Trustee until 8th July 2022.

New Co-opted Trustees (for ratification at the Emerson College Association Annual General Meeting on 5th December 2022:

- Jeremy Smith, Co-opted Trustee from 8th July 2022.
- Susanne Fuller, Co-opted Trustee from 2nd August 2022.

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES **for the year ended 30 June 2022**

Charities Statement of Recommended Practice (SORP 2005) requirements

1. Reserves: The Charity holds the following reserves:

- a. Restricted funds that represent hypothecated grant funding.
- b. Payments made in advance that will be required to fund expenditure in future years. and
- c. Sufficient working capital to ensure the Charitable Company remains a going concern and can fund at least six months salaries of all staff employed by the Charity.

2. Principal risks & uncertainties: the following represent the significant risks and uncertainties faced by the Charity:

- a. Cost of living inflation which in addition to slowing economic growth and increasing the risk of a recession, impacts on the Charity in two principal ways by:
 - i. Inflation results in increasing the cost of fuel, utilities, food, building materials, and similar products that are required to be purchased to provide for the on-going operation of the Charity.
 - ii. Creating customer resistance to fund educational courses, events, accommodation, and food due to the need to prioritise essential costs rather than education which is considered to be a luxury good¹. It is therefore largely the case that the ability to participate in courses has high income elasticity of demand resulting in more expenditure on courses and events increasing with greater levels of disposable income and the converse during periods of reduced disposable income.

The two effects of inflation mitigate against each other – if prices are increased to maintain the viability of a service, then due to the cost elasticity, cost increases will have an effect to reduce the level of demand.
- b. The trend towards on-line educational courses and podcasts provides substantial opportunities for the Charity, but a consequence is that participants lose the highly valued special characteristics of attending the Emerson Campus with the consequential loss in income from the use of residential accommodation and meals.
- c. Reputational risk – the College enjoys an international reputation for the quality of its educational courses but also the unique campus environment and experience it provides. Reputations are hard earned but easily lost if the customer experience reduces or an event creates bad publicity for the Charity. As a result, the Charity carefully safeguards its reputation by seeking improvements in the service whilst maintaining the special qualities of the customer experience.

The principal risks and uncertainties are contained through the Trustees of the Charity pro-actively investing in the level of educational expertise and resources together with improving the College facilities and the flexibility of service provision. Furthermore, as part of the governance of the Charity, a risk policy and comprehensive risk register is pro-actively maintained, that includes identifying risks; assessing risks; evaluating what action needs to be taken on risks and periodic monitoring and assessment at each Board meeting.

3. The Pay and remuneration policy for key leadership personnel: The Charity has recently restructured its senior leadership team to further improve the emphasis on everyone working for a single organisation and contributing to the success of the organisation. The outcome was to delate two Director level posts and replace with two Co-Principals – Education and Asset Development and a third post of Head of Hospitality Services. The level of remuneration for the three posts reporting directly to the Board was set by the Board or Trustees prior to the appointments being made. No one is paid more than £40,000 p.a. (FTE) and all posts are contained within the Pay Policy agreed by the Board of Trustees.

The Co-Principal Asset Development will keep under review the Pay Policy and levels of pay and provide costed options for the Board of Trustees to consider and to agree any changes.

¹A luxury good is a good [service] for which demand increases more than proportionally as income rises.

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES **for the year ended 30 June 2022**

FINANCIAL REVIEW

Investment policy and objectives

The Trustees have unlimited investment powers and currently the Charity has unlisted investments as detailed in the notes to the financial statements.

Reserves policy

The Trustees consider that the Charity's assets are adequate to fulfil its obligations and that it has sufficient free reserves to meet all ongoing operating costs for a period of six months. As at 30/06/2022 the Trust and its subsidiary held a total of £611,281 in cash, with an outstanding loan of £186,667.

OPERATING COSTS AND INCOME

Following 2 years of modest surplus we made an operating loss of £153,471, excluding £39,248 MPPS pension expenses and the £70,360 donation from our trading subsidiary.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Charity is controlled by its governing document, the memorandum, and articles of association, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

The Charity is governed by its Memorandum and Articles of Association.

Activities are overseen by the Council consisting of Trustees who meet 4 times each year or more frequently if required.

The Articles of Association lay down that the Council shall comprise no fewer than 3 and no more than 20 Trustees. All Trustees need to be a member of the association.

Induction and training of new trustees

Trustees are appointed at the AGM when at least a third of the existing Trustees must stand down. Anyone wishing to become a Trustee must first become a member of the Emerson Association. As the Association is premised on the vision and work of Rudolf Steiner, it is essential that all Trustees can demonstrate that they are familiar with this vision and that it is an integral part of their lives.

Other qualities that Emerson Association would value in prospective Trustees would be experience working in other charities, specific professional skills, or experience in the field of adult education. Several of the existing Trustees were former students at Emerson.

At present Emerson does not have any specific policy on Trustee training, except to ensure all Trustees are familiar with current Charity law and the duties of Trusteeship, but of course the Trust would send individual Trustees on special courses if this were deemed necessary. However, to ensure good working practice, there are regular discussions concerning Charity Commission guidance on good governance and practice at Trustee meetings.

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES
for the year ended 30 June 2022

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

908985 (England and Wales)

Registered Charity number

312101

REFERENCE AND ADMINISTRATIVE DETAILS

Registered office

Pixton

FOREST ROW

East Sussex

RH18 5JX

Trustees

Dr J Dyson

M Leach

P Blaxland de Lange

G Perry

Resigned 21/11/21

K Orsak

Resigned 08/07/22

R Levy

Resigned 08/07/22

A Blampied-Radojcic

S King

Appointed 21/11/21

**Co-opted Trustees (for ratification at the
Annual General Meeting on 5th December
2022.**

Jeremy Smith

Appointed: 08/07/22

Susanne Fuller

Appointed: 02/08/22

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES
for the year ended 30 June 2022

Auditors

HPCA Limited
Chartered Accountants
and Statutory Auditors
Station House
Connaught Road
Brookwood
Woking
Surrey
GU24 0ER

Bankers

HSBC Bank plc
1 Centenary Square
Birmingham
B1 1HQ.

Bankers

Santander
2 Triton Square
Regent's Place
London
NW1 3AN

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES **for the year ended 30 June 2022**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Emerson College Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which 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 those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and 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 business.

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

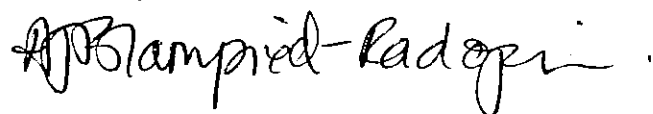
In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, HPCA Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 18th November 2022 and signed on its behalf by:



A Blampied-Radojcin - Trustee

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EMERSON COLLEGE TRUST LIMITED**

Opinion

We have audited the financial statements of Emerson College Trust Limited (the 'parent charitable company') and its subsidiary (the group) for the year ended 30 June 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated 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 Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 30 June 2021 and of the group's incoming resources and application of 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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:

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EMERSON COLLEGE TRUST LIMITED**

- 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 parent charitable company 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 the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 group's and parent 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 group's or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

the engagement partner ensured that the engagement team collectively had the appropriate competence,

- capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

we identified the laws and regulations applicable to the charitable company through discussions with trustees

- and other management, and from our commercial knowledge and experience of the sector;

we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including compliance for accrediting, , the Companies Act 2006, taxation, data protection, safeguarding, employment, environmental and health and

- safety legislation;

we assessed the extent of compliance with the laws and regulations identified above through making

- enquiries of management and inspecting legal correspondence; and

identified laws and regulations were communicated within the audit team regularly and the team remained

- alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

making enquiries of management as to where they considered there was susceptibility to fraud, their

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EMERSON COLLEGE TRUST LIMITED**

- knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and
- regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;

assessed whether judgements and assumptions made in determining the accounting estimates were indicative

- of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to any actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and
- the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Lance Redman

Lance Redman (Senior Statutory Auditor)

for and on behalf of HPCA Limited

Chartered Accountants

and Statutory Auditors

Station House

Connaught Road

Brookwood

Woking

Surrey

GU24 0ER

Date: 24th November 2022

EMERSON COLLEGE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 30 June 2022

		Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	16,743	2,162	18,905	72,735
Charitable activities					
Education	4	784,141	-	784,141	349,076
Investment income	3	428	-	428	165
Trading income	21	477,092	-	477,092	2,500
Other income	5	31,972	-	31,972	168,793
Total		1,310,376	2,162	1,312,538	593,269
 EXPENDITURE ON					
Subsidiary's trading activities	21	382,024	-	382,024	37,147
 Charitable activities	6				
Education		995,170	53,686	1,048,856	750,612
Bank loan interest		3,015	-	3,015	-
Total		1,380,209	53,686	1,433,895	787,759
 NET INCOME/(EXPENDITURE)		(69,833)	(51,524)	(121,357)	(194,490)
 Transfers between funds	18	-	-	-	-
Net movement in funds		(69,833)	(51,524)	(121,357)	(194,490)
 RECONCILIATION OF FUNDS					
Total funds brought forward		2,251,466	182,062	2,433,528	2,628,018
 TOTAL FUNDS CARRIED FORWARD		<u>2,181,633</u>	<u>130,538</u>	<u>2,312,171</u>	<u>2,433,528</u>

The notes form part of these financial statements

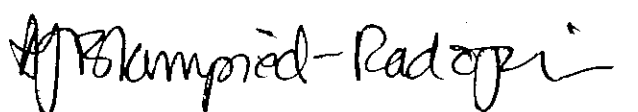
EMERSON COLLEGE TRUST LIMITED**CONSOLIDATED BALANCE SHEET****At 30 June 2022**

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	13	2,278,378	-	2,278,378	2,239,979
Investments	14	<u>12,267</u>	<u>-</u>	<u>12,267</u>	<u>12,267</u>
		2,290,645	-	2,290,645	2,252,246
CURRENT ASSETS					
Stocks	15	603,697	-	603,697	860,037
Debtors	16	156,194	-	156,194	154,112
Cash at bank and in hand		<u>480,743</u>	<u>130,538</u>	<u>611,281</u>	<u>457,837</u>
		1,240,634	130,538	1,371,172	1,471,986
CREDITORS					
Amounts falling due within one year	17	(567,976)	-	(567,976)	(395,402)
NET CURRENT ASSETS		<u>672,658</u>	<u>130,538</u>	<u>803,196</u>	<u>1,076,584</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,963,303	130,538	3,093,841	3,328,830
CREDITORS					
Amounts falling due after more than one year		(146,667)	-	(146,667)	(186,667)
PENSION LIABILITY	19	(635,003)	-	(635,003)	(708,635)
NET ASSETS		<u>2,181,633</u>	<u>130,538</u>	<u>2,312,171</u>	<u>2,433,528</u>
FUNDS	18				
Unrestricted funds				2,181,633	2,251,466
Restricted funds				<u>130,538</u>	<u>182,062</u>
TOTAL FUNDS				<u>2,312,171</u>	<u>2,433,528</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 18th November 2022 and were signed on its behalf by:

A Blampied-Radojcin -Trustee



The notes form part of these financial statements

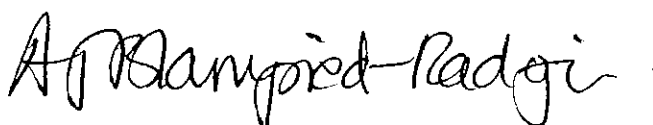
EMERSON COLLEGE TRUST LIMITED
CHARITABLE COMPANY BALANCE SHEET
At 30 June 2022

	Notes	Unrestricted funds £	Restricted funds £	2022 Total funds £	2021 Total funds £
FIXED ASSETS					
Tangible assets	13	2,278,378	-	2,278,378	2,239,979
Investments	14	<u>12,268</u>	<u>-</u>	<u>12,268</u>	<u>12,268</u>
		2,290,646	-	2,290,646	2,252,247
CURRENT ASSETS					
Stocks	15	40,995	-	40,995	22,126
Debtors	16	1,174,232	-	1,174,232	1,191,156
Cash at bank and in hand		<u>22,094</u>	<u>130,538</u>	<u>152,632</u>	<u>255,736</u>
		1,237,321	130,538	1,367,859	1,469,018
CREDITORS					
Amounts falling due within one year	17	<u>(564,665)</u>	<u>-</u>	<u>(564,665)</u>	<u>(392,435)</u>
NET CURRENT ASSETS		<u>672,656</u>	<u>130,538</u>	<u>803,194</u>	<u>1,076,583</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,963,302	130,538	3,093,839	3,328,830
CREDITORS					
Amounts falling due after more than one year		<u>(146,667)</u>	<u>-</u>	<u>(146,667)</u>	<u>(186,667)</u>
PENSION LIABILITY	19	<u>(635,003)</u>	<u>-</u>	<u>(635,003)</u>	<u>(708,635)</u>
NET ASSETS		<u>2,181,632</u>	<u>130,538</u>	<u>2,312,170</u>	<u>2,433,528</u>
FUNDS	18				
Unrestricted funds				2,181,632	2,251,466
Restricted funds				<u>130,538</u>	<u>182,062</u>
TOTAL FUNDS				<u>2,312,170</u>	<u>2,433,528</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to charitable small companies.

The financial statements were approved by the Board of Trustees on 18th November 2022 and were signed on its behalf by:

A Blampied-Radojcin -Trustee



The notes form part of these financial statements

EMERSON COLLEGE TRUST LIMITED

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Cash generated from operations	1	252,678	(127,984)
Interest paid		<u>(3,015)</u>	<u>-</u>
Net cash provided by (used in) operating activities		<u>249,663</u>	<u>(127,984)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(82,971)	(26,185)
Purchase of			
Interest received		<u>85</u>	<u>165</u>
Net cash provided by (used in) Investing activities		<u>(82,886)</u>	<u>(26,020)</u>
Cash flows from financing activities:			
New loan in year		-	200,000
Loan repayments		<u>(13,333)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>(13,333)</u>	<u>200,000</u>
Change in cash and cash equivalents in the reporting period		<u>153,444</u>	<u>45,996</u>
Cash and cash equivalents at the beginning of the reporting period		<u>457,837</u>	<u>411,841</u>
Cash and cash equivalents at the end of the reporting period		<u>611,281</u>	<u>457,837</u>

The notes form part of these financial statements

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2022

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(121,357)	(194,490)
Adjustments for:		
Depreciation charges	44,572	38,245
Interest received	(85)	(165)
Interest paid	3,015	-
Movement in pension liability	(73,632)	(73,331)
 (Increase)/decrease in stocks	 256,340	 2,704
(Increase)/decrease in debtors	(2,082)	28,276
Increase/(decrease) in creditors	<u>145,907</u>	<u>70,777</u>
 Net cash provided by (used in) operating activities	 <u>252,678</u>	 <u>(127,984)</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **for the year ended 30 June 2022**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Allocation and apportionment of costs

Resources expended are included in the Statement of Financial Activities on an accruals basis and are allocated to a specific activity where costs relate directly to that activity.

Costs of generating funds are the costs directly attributable to raising funds.

Charitable expenditure includes all costs directly relating to the objective of the charity and the costs involved supporting that work.

Governance costs relate to the costs of legal and professional fees, audit fees.

Support costs include those costs connected with the management of the charity's assets, organisational management and administration and compliance with constitutional and statutory requirements.

Expenditure on support costs of the charity includes all expenditure not directly related to the charitable activity or fundraising ventures.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 1% on cost
Short leasehold	- Over the life-time of the 7 years lease
Machinery and office equipment	- 20-25% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 10% on cost
Library Books	- 15-25% on reducing balance

Assets costing £750 or more are capitalised. All other assets under this amount are expensed to the income and expenditure account.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

The charity is exempt from corporation tax on its charitable activities.

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

1. ACCOUNTING POLICIES - continued

Group Financial Statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Emerson College Enterprise Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The charitable company was contributing to the Mercury Provident Pension Scheme which is an unsegregated multi-employer defined-benefit scheme. This is a collective policy scheme (i.e. members have a joint and several obligation to pay the liabilities of any member who is not able to pay) for employees of a number of anthroposophical institutions in the UK and the assets of the scheme are held independently and separate to those of the charitable company. The scheme has been closed to further benefit accrual.

The last actuarial valuation carried out to 29 December 2021 identified a funding short fall of £12.9 million for the scheme as a whole. Emerson's share of the best estimate valuation of the deficit was revalued in the financial statements for the year ended 30 June 2016, based on the actuarial valuation as at 31 December 2016. Although the 2021 valuation shows an improved position the deficit shown in the financial statements continues to be based upon the independent professional advice as is more fully explained in note 19.

Subsequent to the closure of the defined benefit scheme the charitable company has commenced contributing towards a money purchase pension scheme. Contributions payable for the year are charged in the income and expenditure account.

Investments

Fixed asset investments loans are stated at cost as they are ultimately redeemable at their original value and are not saleable. Other equities are stated at market value derived from information offered by the issuing company.

2. DONATIONS AND LEGACIES

	2022	2021
	£	£
Donations	13,558	46,814
Legacies	2,010	-
Grants	3,337	25,921
	<u>18,905</u>	<u>72,735</u>

In addition to the above donations a further donation of £70,360 (2021: £6,841) was received from the college's subsidiary, Emerson College Enterprises Limited and this is not reflected in the consolidated accounts.

3. INVESTMENT INCOME

	2022	2021
	£	£
Investment income and interest	428	165
	<u>428</u>	<u>165</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2022 £	2021 £
Student fees	Education	385,183	144,344
Student fees discount	Education	(53,629)	(22,749)
Student boarding & Catering	Education	288,189	62,611
Other income	Education	6,997	7,156
Venue hire & rental income	Education	<u>157,401</u>	<u>157,714</u>
		<u>784,141</u>	<u>349,076</u>

Included in Venue hire & rental income are short hires £42,598 (2021: £15,734), workspace rentals £19,373 (2021: £18,769) and residential rental income of £95,501 (2021: £84,621)

5. OTHER INCOME

During the year bookshop & other income was £13,407 (2021: £10,940) and furlough income was £18,565 (2021: £157,853).

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Education	<u>695,835</u>	<u>353,021</u>	<u>1,048,856</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2022 £	2021 £
Staff costs	358,040	364,557
Tutor Fees	165,438	71,038
Tutor accommodation & material	59,811	16,612
Provisions and household	55,793	11,902
Garden costs	5,374	15,799
Library and Bookshop materials	6,661	8,290
Repairs and maintenance	40,453	36,173
Administration and courses	3,344	309
Bad Debts	<u>921</u>	<u>556</u>
	<u>695,835</u>	<u>525,236</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Education	<u>340,133</u>	<u>12,888</u>	<u>353,021</u>

Support costs, included in the above, are as follows:

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

8. SUPPORT COSTS - continued

Management

	2022 Education £	2021 Total activities £
Trustees' fees	23,307	11,280
Trustees' expenses	616	1,431
Rates and Water	21,131	17,326
Insurance	17,136	17,563
Light and heat	54,514	29,791
Telephone, internet & copier	5,269	5,931
Postage and stationery	594	240
Advertising & publicity	24,903	19,301
Office equipment and IT	27,898	26,061
Pension admin fees	2,401	4,495
Pension deficit administration	15,291	13,851
Pension deficit finance costs	18,303	5,793
Pension Levy	3,253	11,444
Professional fees	75,413	3,346
Travel & other costs	425	427
Membership Fees	4,393	2,837
Bank & other charges	714	3,744
Depreciation of tangible and heritage assets	<u>44,572</u>	<u>38,245</u>
	<u>340,133</u>	<u>213,106</u>

Governance costs

	2022 Education £	2021 Total activities £
Auditors' remuneration	7,388	7,000
Auditors' remuneration for non audit work	5,500	5,270
Legal & professional fees	<u>-</u>	<u>-</u>
	<u>12,888</u>	<u>12,270</u>

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Auditors' remuneration	7,388	7,000
Other non-audit services	5,500	5,270
Depreciation - owned assets	<u>44,572</u>	<u>38,245</u>

The subsidiary's audit and accountancy fee was £2,920 (2020: £2,280)

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

10. TRUSTEES' REMUNERATION AND BENEFITS

	2022	2021
	£	£
Trustees' fees	<u>20,200</u>	<u>11,280</u>
Trustees' expenses		
	2022	2021
	£	£
Trustees' expenses	<u>1,631</u>	<u>1,431</u>

Trustees' expenses relate to travel and subsistence

11. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	344,890	381,104
Social security costs	24,465	22,483
Other pension costs	<u>6,329</u>	<u>6,288</u>
	<u>375,684</u>	<u>409,875</u>

The average monthly number of employees during the year was as follows:

	2022	2021
	19	18
Teaching and administration	<u>19</u>	<u>18</u>

No employees received emoluments in excess of £60,000.

The key management personnel of the charity are the trustees and departmental directors. The total employment costs including employer pension contributions of key management personnel totalled £ £67,812 (2021 £79,092). Included in key management personnel are trustees costs relating to J Dyson £15,496 for tutor fees and meals and £564 for mileage and A Blampied – Radojcin £8,829 for tutor fees.

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total funds
	£	£	£
INCOME AND ENDOWMENTS FROM			
Donations and legacies	40,183	32,552	72,735
Charitable activities			
Education	448,041	-	448,041
Investment income	165	-	165
Trading income	2,500	-	2,500
Other income	<u>69,828</u>	<u>-</u>	<u>69,828</u>
Total	560,717	32,552	593,269

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Education	721,867	28,745	750,612
Bank loan interest	-	-	-
Subsidiary's trading activities	<u>37,147</u>	<u>-</u>	<u>37,147</u>
Total	<u>759,014</u>	<u>28,745</u>	<u>787,759</u>
NET INCOME/(EXPENDITURE)	(198,297)	3,807	(194,490)
RECONCILIATION OF FUNDS			
Transfers between funds	4,227	(4,227)	-
Total funds brought forward	<u>2,445,536</u>	<u>182,482</u>	<u>2,628,018</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,251,466</u></u>	<u><u>182,062</u></u>	<u><u>2,433,528</u></u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

13. TANGIBLE FIXED ASSETS (GROUP AND COMPANY)

	Freehold property £	Short leasehold £	Machinery and office equipment £
COST			
At 1 July 2021	2,489,560	77,000	166,981
Additions	59,801	-	1,714
Disposals	-	-	-
At 30 June 2022	<u>2,549,361</u>	<u>77,000</u>	<u>168,695</u>
DEPRECIATION			
At 1 July 2021	346,670	77,000	156,485
Charge for year	24,895	-	4,692
Eliminated on disposal	-	-	-
At 30 June 2022	<u>371,565</u>	<u>77,000</u>	<u>161,177</u>
NET BOOK VALUE			
At 30 June 2022	<u>2,177,796</u>	<u>-</u>	<u>7,518</u>
At 30 June 2021	<u>2,142,890</u>	<u>-</u>	<u>10,496</u>
	Fixtures and fittings £	Library Books £	Totals £
COST			
At 1 July 2021	391,646	16,848	3,142,035
Additions	21,456	-	82,971
Disposals	-	-	-
At 30 June 2022	<u>413,102</u>	<u>16,848</u>	<u>3,225,006</u>
DEPRECIATION			
At 1 July 2021	305,053	16,848	902,056
Charge for year	14,984	-	44,572
Eliminated on disposal	-	-	-
At 30 June 2022	<u>320,037</u>	<u>16,848</u>	<u>946,628</u>
NET BOOK VALUE			
At 30 June 2022	<u>93,065</u>	<u>-</u>	<u>2,278,378</u>
At 30 June 2021	<u>86,593</u>	<u>-</u>	<u>2,239,979</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

14. FIXED ASSET INVESTMENTS (GROUP)

	Listed investments £
MARKET VALUE	
At 1 July 2020 and 30 June 2022	<u>12,267</u>
NET BOOK VALUE	
At 30 June 2022	<u>12,267</u>
At 30 June 2021	<u>12,267</u>

There were no investment assets outside the UK.

Emerson College holds 265 Depository Receipts in Triodos Bank NV.

The charitable company's investment at the Balance Sheet date includes the £1 ordinary share in Emerson College Enterprises Limited set up to develop some of the properties with Emerson College site.

Emerson College Enterprises Limited

Class of shares - Ordinary holding 100%

15. STOCKS

	2022 £	2021 £
Stocks - Company	40,995	22,126
Work-in-progress - Subsidiary	562,702	837,911
Group	<u>603,697</u>	<u>860,037</u>

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group	2022 £	2021 £
Trade debtors	116,090	112,319
Other debtors	22,448	21,751
Intercompany account	-	-
Prepayments and accrued income	<u>17,656</u>	<u>20,042</u>
	<u>156,194</u>	<u>154,112</u>
Company	2022 £	2021 £
Trade debtors	112,425	111,972
Other debtors	17,261	14,375
Intercompany account	1,026,890	1,044,767
Prepayments and accrued income	<u>17,656</u>	<u>20,042</u>
	<u>1,174,232</u>	<u>1,191,156</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2022	2021
	£	£
Trade creditors	64,048	48,674
Social security and other taxes	3,586	6,352
Other creditors	9,541	6,512
Pension creditor	70,297	56,472
Private loans	-	2,500
Accruals and deferred income	380,504	261,559
Bank Loan	<u>40,000</u>	<u>13,333</u>
	<u>567,976</u>	<u>395,402</u>

Company

	2022	2021
	£	£
Trade creditors	63,388	48,208
Social security and other taxes	3,586	6,351
Other creditors	9,540	6,512
Pension creditor	70,297	56,472
Accruals and deferred income	377,854	261,559
Bank Loan	<u>40,000</u>	<u>13,333</u>
	<u>564,665</u>	<u>392,435</u>

The pension creditor disclosed as due within one year represents an estimate of the reduction in the liability which will be achieved in the next 12 months and not the actual payments to be made in the next year.

17a. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans (see note 17b)	<u>146,667</u>	<u>186,667</u>

The bank loan is as a result of covid 19 and is secured by the Government. The loan is non repayable for the first year and will be repaid over 6 years.

17b. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>40,000</u>	<u>13,333</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>40,000</u>	<u>40,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	106,667	146,667

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

18. MOVEMENT IN FUNDS

	At 1.7.21	Net movement in funds	Transfers between funds	At 30.6.22
	£	£		£
Unrestricted funds				
General fund	2,220,017	(75,100)	-	2,144,917
Biodynamic agriculture	25,019	-	-	25,019
Holistic Baby & Child Care BD 14/15	1,974	(1,500)	-	474
Library	229	(41)	-	188
Storytelling Beyond Words Designated	4,227	3,710	-	7,937
Education Fund		3,098	-	3,098
	<hr/>	<hr/>	<hr/>	<hr/>
	2,251,466	(69,833)	-	2,181,633
 Restricted funds				
Biodynamic agriculture fund	16,699	(6,542)	-	10,157
Initiative Group	1,593	-	-	1,593
Ruskin Hall (Refurbishment)	16,954	-	-	16,954
Stage	330	-	-	330
Library - Holistic Baby & Child	1,510	-	-	1,510
Bursary Holistic Baby	1,087	-	-	1,087
Anthroposophic Nursing	1,036	-	-	1,036
Healing Words	3,858	-	-	3,858
Storytelling	1,809	(1,167)	-	642
Emerson Bursary	1,405	62	-	1,467
Practitioners & Teachers	135,781	(43,877)	-	91,904
	<hr/>	<hr/>	<hr/>	<hr/>
	182,062	(51,524)	-	130,538
	<hr/>	<hr/>	<hr/>	<hr/>
 TOTAL FUNDS	<hr/>	<hr/>	<hr/>	<hr/>
	2,433,528	(121,357)	-	2,312,171

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2022

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,301,740	(1,376,840)	(75,100)
Storytelling	5,538	(1,828)	3,710
Holistic Baby & Child Care BD 14/15 Course Development		(1,500)	(1,500)
Library		(41)	(41)
Education Fund	<u>3,098</u>	<u> </u>	<u>3,098</u>
	1,310,376	(1,380,209)	(69,833)
Restricted funds			
Emerson Bursary	62	-	62
Practitioners & Teachers	2,100	(45,977)	(43,877)
Storytelling	-	(1,167)	(1,167)
Biodynamic agriculture fund	-	(6,542)	(6,542)
	<u>2,162</u>	<u>(53,686)</u>	<u>(51,524)</u>
TOTAL FUNDS	<u><u>1,312,538</u></u>	<u><u>(1,433,895)</u></u>	<u><u>(121,357)</u></u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2021

18. MOVEMENT IN FUNDS - continued
Comparatives for movement in funds

	At 1.7.20	Net movement in funds	Transfers between funds	At 30.6.21
	£	£		£
Unrestricted funds				
General fund	2,418,088	(198,070)	-	2,220,018
Biodynamic agriculture	25,019	-	-	25,019
Holistic Baby & Child Care BD	2,160	(186)	-	1,974
14/15 Course Development				
Library	271	(41)	-	230
Storytelling Beyond Words	-		4,227	4,227
	<u>2,445,538</u>	<u>(198,297)</u>	<u>4,227</u>	<u>2,251,468</u>
Restricted funds				
Biodynamic Agriculture		16,699	-	16,699
Initiative Group	1,593	-	-	1,593
Ruskin Hall (Refurbishment)	16,954	-	-	16,954
Stage	330	-	-	330
Library - Holistic Baby & Child	1,510	-	-	1,510
Bursary Holistic Baby	1,087	-	-	1,087
Anthroposophic Nursing	1,036	-	-	1,036
Healing Words	3,858	-	-	3,858
Storytelling Bursary	5,731	(1,504)	(4,227)	-
Storytelling	2,580	(771)	-	1,809
Emerson Bursary	2,533	(1,128)	-	1,405
Practioners & Teachers	145,270	(9,489)	-	135,781
	<u>182,482</u>	<u>3,807</u>	<u>(4,227)</u>	<u>182,062</u>
TOTAL FUNDS	<u>2,628,018</u>	<u>(194,490)</u>	<u>-</u>	<u>2,433,528</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	534,393	(732,463)	(198,070)
Holistic Baby & Child Care BD 14/15 Course Development	11,926	(12,112)	(186)
Library		(41)	(41)
	<u>546,319</u>	<u>(744,616)</u>	<u>(198,297)</u>
Restricted funds			
Emerson Bursary	732	(1,860)	(1,128)
Practitioners & Teachers		(9,489)	(9,489)
Storytelling Bursary	138	(1,642)	(1,504)
Storytelling	-	(771)	(771)
Biodynamic agriculture fund	<u>31,682</u>	<u>(14,983)</u>	<u>16,699</u>
	<u>32,552</u>	<u>(28,745)</u>	<u>3807</u>
TOTAL FUNDS	<u>578,871</u>	<u>(773,361)</u>	<u>(194,490)</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2021

18. MOVEMENT IN FUNDS - continued

RESTRICTED FUNDS

Biodynamics agriculture fund

This fund represents the donation from a third party to construct and equip a building to support a biodynamic training scheme. The building was constructed a number of years ago, but as the trustees are of the opinion that the restriction imposed by the donor extends beyond the construction of the building to an ongoing requirement that the building is used for the prescribed purpose this fund stands at the value of the original donation less the estimated depreciation of the building since its construction. Emerson College Trust Limited no longer owns this building and the balance has now been transferred to general reserves.

Initiative Group

Funds raised to support students' social activities.

Ruskin Hall (Refurbishment)

Donations received for refurbishment of Ruskin Hall

Stage

Funds were received to improve the stage in Ruskin Hall.

Library - Holistic and baby childcare

Fund for Steiner Waldorf international birth to three training programme.

Bursary - Holistic Baby & Child

Funds were received which are to be applied to a bursary on this course.

Anthroposophic Nursing

Fund for the experienced based training in anthroposophical nursing which leads to an extended understanding of the human body.

Healing Words

Donation from International School of Storytelling for promotion and support of this storytelling course

Storytelling Bursary

Funds to provide bursaries for students on Storytelling Beyond Words course

Storytelling General Fund

These are the donations received for the art and craft of storytelling to prepare people to carry the spoken word with a lively imagination into the community and places of work.

Emerson Bursary

Bursaries are offered to students in cases decided by the college.

Practitioners and Teachers

A legacy was received to set up a bursary for practitioners and teachers.

DESIGNATED FUNDS

Biodynamics agriculture

This fund provides bursary support for students wishing to train in biodynamic agriculture at the college.

Holistic Baby & Child Course Development

This fund represents course development for the Holistic Baby and Child course..

Library

This fund was set up this year for donations towards the restoration of the building.

Storytelling Beyond Words

Funds to cover Storytelling Beyond Words projects.

19. PENSION COMMITMENTS

As referred to in the accounting policies the charitable company participates in a defined benefit pension scheme, providing benefits based on final pensionable earnings, which is the basic salary. The scheme has equal pension rights with respect to members of either sex. The assets of the scheme are held in a separate trustee administered (multi-employer) fund. Although the assets and liabilities of the fund are not wholly attributable to the charitable company the scheme actuaries have calculated each employer's share of the funding shortfall as the proportion of the total that their past service liability bears to the total past service liability.

The actuary's report as at 31 March 2007 disclosed that the scheme was in deficit in the order of £4.7 million and that Emerson College Trust Limited's share of that deficit was £434,000 and this was reflected in the accounts to 30th June 2008. The scheme funding shortfall was adjusted for contributions and expenses and accrued to 31st December 2008 and resulted in a revised deficit of £5.049 million with Emerson College Trust Limited's share rising to £449,945.

The scheme has been closed to further benefit accrual, and the future contributions levels have been calculated to eliminate the scheme deficit over a period of 19 years. These contributions commenced at £31,622 per annum together with an annual £10,694 contribution to cover expenses. Every 1 April the contributions are increasing by 5%. Emerson also has a liability with the other employers of the scheme to fund the scheme's shortfall. The annual contribution from January 2022 increased to approximately £96,664

The most recent actuarial valuation was undertaken by an independent professionally qualified actuary as at 29 December 2021 using the statement of funding principles. The principal assumptions which have the most significant effect on the computation of the pension costs are those related to the rate of return on investments (assumed to be 1.6% post retirement and 1.6% pre-retirement) and the rate of increase in the Consumer Prices Index (assumed to be 2.7% pa). These assumptions have been derived from the market yields applying at the valuation date. In particular, the investment return used relating to pre-retirement liabilities was 2.15 percentage points per annum in excess of the assumed rate of increase in consumer price inflation.

The actuarial Valuation Initial Results as at December 2021 showed that the scheme was in deficit in the order of £12.9 million, and that Emerson's share of that deficit was approximately £1.65 million. The best estimate valuation of the deficit at 31 December 2021 was less than £6 million - Best estimate basis is the calculation of the liability with all margins for prudence removed. **This is the basis which the actuaries expect to reflect the true cost of providing benefits to members of the Scheme.**

As there was such a huge difference between the deficit in the scheme as calculated on the SFO basis from the best estimate the trustees obtained independent professional advice as to when the current payment plan would eliminate Emerson's share of the deficit. The independent actuary's opinion was that the current payment plan will pay off the deficit by 2029 not 2035 as anticipated under the SFO basis. The deficit reflected in the Balance Sheet is based on the fair value of the agreed payments to 2029 using a discount rate of 4%.

The balance due to the defined benefit pension scheme relating to the funding shortfall as referred to above at the year-end was estimated to be £705,300 (2021: £765,107).

The total payments made to this pension scheme in the year under review was £94,363 (2021: £89,869). The payment was composed of 3 parts, pension administration £13,851, finance costs £26,949 & repayment of the deficit £53,563.

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2021

20. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30th June 2021.

21. TRADING INCOME AND EXPENDITURE

The subsidiary's income was £477,092 (2021: £72,328), made up of trading income £430,000 (2021: £2,500) and other income £47,092 (2021: £69,828) and the costs before donation and interest to Emerson College Trust Limited were £382,024 (2021: £37,147).

22. FINANCIAL PERFORMANCE OF THE CHARITABLE COMPANY

	2022 £	2021 £
Income	881,339	543,815
Interest from intercompany loan	24,792	28,242
Gift from Subsidiary	70,360	6,814
Gain on sale of tangible fixed assets	-	-
	<u>976,491</u>	<u>578,871</u>
Expenditure on charitable activities	<u>1,097,849</u>	<u>773,361</u>
Net (expenditure)/income	(121,358)	(194,490)
Total funds brought forward	<u>2,433,528</u>	<u>2,628,018</u>
Total funds carried forward	<u>2,312,170</u>	<u>2,433,528</u>
Represented by:		
Unrestricted Funds	2,181,632	2,248,367
Restricted Funds	<u>130,538</u>	<u>185,161</u>
Total Funds	<u>2,312,170</u>	<u>2,433,528</u>