

REPORT OF THE TRUSTEES AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023
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

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for the year ended 30 June 2023

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EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES **for the year ended 30 June 2023**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 30 June 2023. 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 2019).

OBJECTIVES AND ACTIVITIES

Objectives and organisation of the charity

The principal objective of the charity is the administering of the Emerson College Trust Limited and the promotion of an adult centre of training for study and research in accordance with Steiner educational principles with special emphasis on education, agriculture, arts, and science. This benefits society by furthering alternative models in areas which are generally acknowledged to need new thinking.

In furtherance of its objects, the charity operates Emerson College, 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, performances, and talks.

In the past year we have continued to develop our own courses, following the negative impact of the coronavirus pandemic. We have built 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, singing.
- Care: anthroposophical nursing, anthroposophical medicine, mental health, social therapy, counselling, herbal medicine, psychotherapy, holistic baby and childcare; spiritual care for those on the journey of death and dying, working with trauma.
- Ecology: sustainable agriculture, Goethean science, water research, medicinal herb cultivation.

We continue to support participants to attend courses through a reduction of fees from our bursary fund. This gave access to courses for people on Universal Credit, on low income or those that have caring responsibilities for family members.

The college has continued to make improvements to the upgrade of our student houses and other parts of the estate. We have continued to improve the administrative infrastructure of the organisation with new event bookings systems, IT servers and wireless connectivity installations all which contribute to a better running of the charity.

The main strategic focus under the management of assets has been to undertake the sales of three properties to invest in capital expenditure in relation to upgrading Pixton House and other teaching and art studios. This has included the renovation of the North Dining Room, (particularly its beautiful roof lantern windows), and Music Room and transforming the Potting Shed into an Emerson Café and associated dining areas into potential performance/event facilities. Other improvements have been focused in installing easy access toilets in the Red Studio and Eurythmy House, with new roofing to the Story Hut, Green Studio and Green Studio Long. Taken as a whole, these improvements have positioned Emerson as a much better facility for many of the activities which it facilitates and promotes.

Event Hire and Accommodation Bookings, together with new Course development continue to grow with activity and sales increasing by 19% in the year, which is a trend that is continuing into the year 2023/24

The Board of Trustees agreed a strategic staffing and recruitment plan in the year to create and recruit to the roles of Co-Principal for Education and Head of Hospitality, as the basis to enable significant growth in the areas of Emerson Courses and External Hire activities and to enhance the quality of experience for visitors to Emerson.

During the year the Co-Principal for Asset Management and the of Head of Hospitality resigned. After careful strategic planning the Board resolved to establish the Co-Principal for Education as Principal and CEO for Emerson and re define the organisational responsibilities through the senior leadership team.

Future development

The upgrade of Pixton House will enable opening of the Emerson Café in the Year 2023/24. Building on our strategic recruitment, we are planning for an income growth of 20%, forming part of our three year income growth plan, which aims to establish business sustainability by the year 2025/26

Focal points of our efforts in the coming year are:

- Opening the Emerson Café
- Rebuilding our income through the development of new courses, increased enrolment and venue hire
- Repaying the CIBLS loan through the mechanism of the three-year income growth plan
- Building on maintaining our publicly accessible estate, as a place of beauty for the benefit of our community and visitors, through the development of Botanical Garden Walks linked to the Emerson Café activity and the estate's Demeter status.
- Maintaining and building on the Demeter certification of our estate through the development of new Biodynamic activities and sustainable horticulture programmes
- Improving the online booking system to enable better registration for students and participants and increase mid-week bookings
- Renewing our website and increasing our reach on social media
- Improving our donation software
- Increasing our fundraising efforts to support our work
- Seeking grant support to renovate our facilities and improve accessibility

Our Board structure, which now includes the Principal for Education and senior staff as required, together with the trustees, continues to work well. There were no changes to our trustees.

During the year a total of £ 262,304 was received in donations, including £ 177,943 from our trading subsidiary, plus £84,361 in other grants.

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 30/06/2023 the Trust and its subsidiary held a total of £401,820 in cash, with an outstanding loan of £ 146,667.

OPERATING COSTS AND INCOME

We made an operating loss of £195,719, excluding the net proceeds from asset sales (£265,922) and the Mercury Provident Pension Scheme (MPPS) costs for the year (£67,723) (see note 8, page 22) .

In addition to that and due to a revaluation of the MPPS liability which will be reviewed at the end of 2024, the accounts show an actuarial loss of £207,708 (see note 20, page 34).

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 six 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.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

00908985 (England and Wales)

Registered Charity number

312101

Registered office

Pixton
Hartfield Road
FOREST ROW
East Sussex
RH18 5JX

Trustees

J Dyson
P Blaxland de Lange
K Orsak (resigned 1.11.22)
R Levy (resigned 1.11.22)
A Blampied-Radojcin
M Leach
S King
S Fuller (appointed 4.11.22)
J Smith (appointed 4.11.22)

Auditors

Shaw Gibbs (Audit) Limited
264 Banbury Road
Oxford
Oxfordshire
Surrey
OX2 7DY

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 2023**

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 good. 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:**
 - a. 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 appoint a post of Principal and CEO to replace the two Co-Principals – Education and Asset Development. The level of remuneration for the CEO reporting directly to the Board was set by the Board of Trustees prior to the appointment being made.
 - b. No one is paid more than £60,000 p.a. (FTE) and all posts are contained within the Pay Policy agreed by the Board of Trustees. The CEO 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.

EMERSON COLLEGE TRUST LIMITED

REPORT OF THE TRUSTEES
for the year ended 30 June 2023

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:

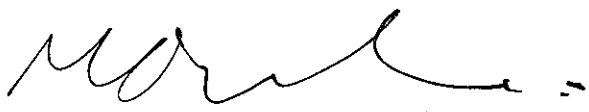
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Shaw Gibbs (Audit) Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 3rdth November 2023 and signed on its behalf by:

M Leach - Trustee



3rd November 2023

**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 2023 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 2023 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.

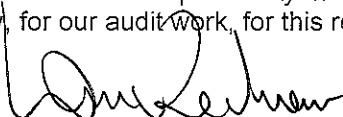
Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Shaw Gibbs (Audit) Limited
264 Banbury Road
Oxford
Oxfordshire
OX2 7DY

Date: 14th¹ November 2023

EMERSON COLLEGE TRUST LIMITED

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the year ended 30 June 2023**

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	6,492	77,869	84,361	18,905
Charitable activities					
Education	4	1,010,297	(61,060)	949,237	797,798
Investment income	3	773	-	773	428
Trading income	22	645,000	-	645,000	430,000
Other income	5	33,215	-	33,215	65,407
Total		1,695,777	16,809	1,712,586	1,312,538
EXPENDITURE ON					
Subsidiary's trading activities	22	465,068	-	465,068	382,024
Charitable activities	6				
Education		1,221,108	8,544	1,229,652	1,048,856
Bank loan interest		15,386	-	15,386	3,015
Total		1,701,562	8,544	1,710,106	1,433,895
NET INCOME/(EXPENDITURE)		(5,785)	8,265	2,480	(121,357)
Actuarial gains/(losses)	20	(207,708)	-	(207,708)	-
Net movement in funds		(213,493)	8,265	(205,228)	(121,357)
RECONCILIATION OF FUNDS					
Total funds brought forward		2,181,633	130,538	2,312,171	2,433,528
TOTAL FUNDS CARRIED FORWARD		1,968,140	138,803	2,106,943	2,312,171

EMERSON COLLEGE TRUST LIMITED

CONSOLIDATED BALANCE SHEET

At 30 June 2023

		Unrestricted funds	Restricted funds	2023 Total funds	2022 Total funds
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Fixed Asset	13	1,340	-	1,340	-
Tangible assets	14	2,764,559	-	2,764,559	2,278,378
Investments	15	<u>12,267</u>	<u>-</u>	<u>12,267</u>	<u>12,267</u>
		2,778,166	-	2,778,166	2,290,645
CURRENT ASSETS					
Stocks	16	219,124	-	219,124	603,697
Debtors	17	74,264	71,131	145,395	156,194
Cash at bank and in hand		<u>334,148</u>	<u>67,672</u>	<u>401,820</u>	<u>611,281</u>
		627,536	138,803	766,339	1,371,172
CREDITORS					
Amounts falling due within one year	18	<u>(500,245)</u>	<u>-</u>	<u>(500,245)</u>	<u>(567,976)</u>
NET CURRENT ASSETS		<u>127,291</u>	<u>138,803</u>	<u>266,094</u>	<u>803,196</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,905,457	138,803	3,044,260	3,093,841
CREDITORS					
Amounts falling due after more than one year		(106,667)	-	(106,667)	(146,667)
PENSION LIABILITY	20	<u>(830,650)</u>	<u>-</u>	<u>(830,650)</u>	<u>(635,003)</u>
NET ASSETS		<u>1,968,140</u>	<u>138,803</u>	<u>2,106,943</u>	<u>2,312,171</u>
FUNDS	19				
Unrestricted funds				1,968,140	2,181,633
Restricted funds				<u>138,803</u>	<u>130,538</u>
TOTAL FUNDS				<u>2,106,943</u>	<u>2,312,171</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 3rd November 2023 and were signed on its behalf by:

A Blampied-Radojcin -Trustee

EMERSON COLLEGE TRUST LIMITED
CHARITABLE COMPANY BALANCE SHEET
At 30 June 2023

	Notes	Unrestricted funds £	Restricted funds £	2023 Total funds £	2022 Total funds £
FIXED ASSETS					
Intangible assets	13	1,340		1,340	-
Tangible assets	14	2,764,559	-	2,764,559	2,278,378
Investments	15	<u>12,267</u>	<u>-</u>	<u>12,267</u>	<u>12,267</u>
		2,778,166	-	2,778,166	2,290,645
CURRENT ASSETS					
Stocks	16	37,667	-	37,667	40,995
Debtors	17	550,909	71,131	622,040	1,174,232
Cash at bank and in hand		<u>36,089</u>	<u>67,672</u>	<u>103,761</u>	<u>152,632</u>
		624,665	138,803	763,468	1,367,859
CREDITORS					
Amounts falling due within one year	18	(497,377)	-	(497,377)	(564,665)
NET CURRENT ASSETS		<u>127,288</u>	<u>138,803</u>	<u>266,091</u>	<u>803,194</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,905,457	138,803	3,044,260	3,093,839
CREDITORS					
Amounts falling due after more than one year		(106,667)	-	(106,667)	(146,667)
PENSION LIABILITY	20	(830,650)	-	(830,650)	(635,003)
NET ASSETS		<u>1,968,140</u>	<u>138,803</u>	<u>2,106,943</u>	<u>2,312,170</u>
FUNDS	19				
Unrestricted funds				1,968,140	2,181,633
Restricted funds				<u>138,803</u>	<u>130,538</u>
TOTAL FUNDS				<u>2,106,943</u>	<u>2,312,171</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 3rd November 2023 and were signed on its behalf by:

M Leach -Trustee

EMERSON COLLEGE TRUST LIMITED
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Cash generated from operations	1	383,729	252,335
Interest paid		<u>(15,386)</u>	<u>(3,015)</u>
Net cash provided by (used in) operating activities		<u>368,343</u>	<u>249,320</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(536,969)	(82,971)
Purchase of intangible fixed asset		(1,608)	
Interest received		<u>773</u>	<u>428</u>
Net cash provided by (used in) investing activities		<u>(537,804)</u>	<u>(82,543)</u>
Cash flows from financing activities:			
New loan in year		-	-
Loan repayments		<u>(40,000)</u>	<u>(13,333)</u>
Net cash provided by (used in) financing activities		<u>(40,000)</u>	<u>(13,333)</u>
Change in cash and cash equivalents in the reporting period		<u>(209,461)</u>	<u>153,444</u>
Cash and cash equivalents at the beginning of the reporting period		<u>611,281</u>	<u>457,837</u>
Cash and cash equivalents at the end of the reporting period		<u>401,820</u>	<u>611,281</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the year ended 30 June 2023

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

	2023 £	2022 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	2,480	(121,357)
Adjustments for:		
Depreciation charges	51,056	44,572
Interest received	(773)	(428)
Interest paid	15,386	3,015
Movement in pension liability	(12,061)	(73,632)
 (Increase)/decrease in stocks	 384,573	 256,340
(Increase)/decrease in debtors	10,799	(2,082)
Increase/(decrease) in creditors	<u>(67,731)</u>	<u>145,907</u>
 Net cash provided by (used in) operating activities	 383,729	 252,335
	<hr/>	<hr/>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS **for the year ended 30 June 2023**

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 2023

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 £5.4 million on a best estimate basis for the scheme as a whole. Emerson's share of the best estimate valuation of the deficit was reflected in the financial statements for the year ended 30 June 2023, based on the actuarial valuation as at 29 December 2021.

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

	2023	2022
	£	£
Donations	83,161	13,558
Legacies	-	2,010
Grants	<u>1,200</u>	<u>3,337</u>
	<u>84,361</u>	<u>18,905</u>

In addition to the above donations a further donation of £177,943 (2022: £70,360) was received from the college's subsidiary, Emerson College Enterprises Limited and this is not reflected in the consolidated accounts.

3. INVESTMENT INCOME

	2023	2022
	£	£
Investment income and interest	<u>773</u>	<u>428</u>
	<u>773</u>	<u>428</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

4. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2023 £	2022 £
Student fees	Education	320,591	385,183
Student fees discount	Education	(72,812)	(53,629)
Student boarding & Catering	Education	463,168	288,189
Other income	Education	46,600	20,654
Venue hire & rental income	Education	<u>191,690</u>	<u>157,401</u>
		<u>949,237</u>	<u>797,798</u>

Included in Venue hire & rental income are rents £54,253 (2022: £42,527), workspace rentals £16,147 (2022: £19,373), residential rental income of £121,290 (2022: £95,501)

5. OTHER INCOME

During the year rents and service charges received was £17,019 (2022: £40,820) and furlough income was £nil (2022: £24,587) and garden income of £16,196.

6. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 7) £	Support costs (See note 8) £	Totals £
Education	<u>800,043</u>	<u>429,609</u>	<u>1,229,652</u>

7. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2023 £	2022 £
Staff costs	469,399	358,040
Tutor Fees	95,136	165,438
Tutor accommodation & material	49,868	59,811
Provisions and household	87,898	55,793
Garden costs	11,702	6,205
Library and Bookshop materials	17,172	6,661
Repairs and maintenance	52,083	40,453
Administration and courses	7,413	3,344
Bad Debts	5,393	921
Teacher training	3,979	
	<u>800,043</u>	<u>696,666</u>

8. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Education	<u>410,648</u>	<u>18,961</u>	<u>429,609</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 2023

8. SUPPORT COSTS - continued

Management

	2023 Education £	2022 Total activities £
Trustees' fees	19,515	20,200
Trustees' expenses	1,708	3,723
Rates and Water	25,230	21,131
Insurance	16,260	17,136
Light and heat	76,345	54,514
Telephone, internet & copier	6,139	5,269
Postage and stationery	774	594
Advertising & publicity	29,159	24,903
Office equipment and IT	31,047	27,898
Pension admin fees	2,364	2,401
Pension deficit administration	44,644	15,291
Pension deficit finance costs	16,400	18,303
Pension Levy	4,315	3,253
Professional fees	71,793	75,413
Travel & other costs	599	425
Membership Fees	883	4,393
Bank & other charges	12,417	714
Amortisation of intangible fixed asset	268	-
Depreciation of tangible and heritage assets	<u>51,056</u>	<u>44,572</u>
	<u>410,648</u>	<u>340,133</u>

Governance costs

	2023 Education £	2022 Total activities £
Auditors' remuneration	7,100	7,388
Auditors' remuneration for non audit work	11,861	5,500
Legal & professional fees	<u>-</u>	<u>-</u>
	<u>18,961</u>	<u>12,888</u>

9. NET INCOME/(EXPENDITURE)

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

	2023 £	2022 £
Auditors' remuneration	8,000	7,388
Other non-audit services	10,961	5,500
Depreciation - owned assets	<u>51,056</u>	<u>44,572</u>

The subsidiary's audit and accountancy fee was £2,800 (2022: £2,550)

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

10. TRUSTEES' REMUNERATION AND BENEFITS

	2023	2022
	£	£
Trustees' fees	<u>19,515</u>	<u>20,200</u>

Trustees' expenses

	2023	2022
	£	£
Trustees' expenses	<u>1,708</u>	<u>3,723</u>

Trustees' expenses relate to travel and subsistence

11. STAFF COSTS

	2023	2022
	£	£
Wages and salaries	487,432	344,890
Social security costs	39,812	24,465
Other pension costs	<u>8,361</u>	<u>6,329</u>
	<u>535,605</u>	<u>375,684</u>

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

	2023	2022
	<u>23</u>	<u>19</u>
Teaching and administration		

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 £73,391 (2022 £67,812). Included in key management personnel are trustees costs relating to J Dyson £9,585 for tutor fees and meals and £4,310 for other expenses and A Blampied – Radojcic £10,380 for tutor fees and £101 for expenses

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	16,743	2,162	18,905
Charitable activities			
Education	797,798	-	797,798
Investment income	428	-	428
Trading income	430,000	-	430,000
Other income	<u>65,407</u>	<u>-</u>	<u>65,407</u>
Total	1,310,376	2,162	1,312,538

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

12. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES - continued

	Unrestricted funds £	Restricted funds £	Total funds £
EXPENDITURE ON			
Charitable activities			
Education	995,170	53,686	1,048,856
Bank loan interest	3,015		3,015
Subsidiary's trading activities	<u>382,024</u>	<u>-</u>	<u>382,024</u>
Total	<u>1,380,209</u>	<u>53,686</u>	<u>1,433,895</u>
NET INCOME/(EXPENDITURE)	(69,833)	(51,524)	(121,357)
RECONCILIATION OF FUNDS			
Transfers between funds	-	-	-
Total funds brought forward	<u>2,251,466</u>	<u>182,062</u>	<u>2,433,528</u>
TOTAL FUNDS CARRIED FORWARD	<u><u>2,181,833</u></u>	<u><u>130,538</u></u>	<u><u>2,312,171</u></u>

13. INTANGIBLE FIXED ASSETS (GROUP AND COMPANY)

	Patents and licences £
COST	
Additions	<u>1,608</u>
AMORTISATION	
Charge for the year	<u>268</u>
NET BOOK VALUE	
At 30 June 2023	<u>1,340</u>
At 30 June 2022	<u>-</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

14. TANGIBLE FIXED ASSETS (GROUP AND COMPANY)

	Freehold property £	Short leasehold £	Machinery and office equipment £
COST			
At 1 July 2022	2,549,361	77,000	168,695
Additions	435,023	-	14,797
Disposals	-	-	-
At 30 June 2023	<u>2,984,384</u>	<u>77,000</u>	<u>183,492</u>
DEPRECIATION			
At 1 July 2022	371,565	77,000	161,177
Charge for year	26,441	-	4,370
Eliminated on disposal	-	-	-
At 30 June 2023	<u>398,006</u>	<u>77,000</u>	<u>165,547</u>
NET BOOK VALUE			
At 30 June 2023	<u>2,586,378</u>	<u>-</u>	<u>17,945</u>
At 30 June 2022	<u>2,177,796</u>	<u>-</u>	<u>7,518</u>
	Fixtures and fittings £	Library Books £	Totals £
COST			
At 1 July 2022	413,102	16,848	3,225,006
Additions	87,149	-	536,969
Disposals	-	-	-
At 30 June 2023	<u>500,251</u>	<u>16,848</u>	<u>3,761,975</u>
DEPRECIATION			
At 1 July 2022	320,037	16,848	946,628
Charge for year	19,977	-	50,788
Eliminated on disposal	-	-	-
At 30 June 2023	<u>340,014</u>	<u>16,848</u>	<u>997,416</u>
NET BOOK VALUE			
At 30 June 2023	<u>160,237</u>	<u>-</u>	<u>2,764,559</u>
At 30 June 2022	<u>93,065</u>	<u>-</u>	<u>2,278,378</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

15. FIXED ASSET INVESTMENTS (GROUP)

Listed
investments
£

MARKET VALUE

At 1 July 2020 and 30 June 2022

12,268

NET BOOK VALUE

At 30 June 2023

12,268

At 30 June 2022

12,268

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%

16. STOCKS

	2023 £	2022 £
Stocks - Company	37,667	40,995
Work-in-progress - Subsidiary	181,457	562,702
Group	<u>219,124</u>	<u>603,697</u>

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	64,430	116,090
Other debtors	61,614	22,448
Intercompany account	-	-
Prepayments and accrued income	<u>19,351</u>	<u>17,656</u>
	<u>145,395</u>	<u>156,194</u>

Charitable Company

	2023 £	2022 £
Trade debtors	58,053	112,425
Other debtors	58,901	17,261
Intercompany account	485,735	1,026,890
Prepayments and accrued income	<u>19,351</u>	<u>17,656</u>
	<u>622,040</u>	<u>1,174,232</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Group

	2023	2022
	£	£
Trade creditors	61,491	64,048
Social security and other taxes	11,050	3,586
Other creditors	9,735	9,541
Pension creditor	45,000	70,297
Private loans	-	-
Accruals and deferred income	332,969	380,504
Bank Loan	<u>40,000</u>	<u>40,000</u>
	<u>500,245</u>	<u>567,976</u>

Charitable Company

	2023	2022
	£	£
Trade creditors	61,490	63,388
Social security and other taxes	11,050	3,586
Other creditors	9,734	9,540
Pension creditor	45,000	70,297
Accruals and deferred income	330,103	377,854
Bank Loan	<u>40,000</u>	<u>40,000</u>
	<u>497,377</u>	<u>564,665</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.

18a. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (Group and Charitable Company)

	2023	2022
	£	£
Bank loans (see note 17b)	<u>106,667</u>	<u>146,667</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.

18b. LOANS

An analysis of the maturity of loans is given below:

	2023	2022
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>40,000</u>	<u>40,000</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	66,667	106,667

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

19. MOVEMENT IN FUNDS (Group and Charitable Company)

	At 1.7.22	Net movement in funds	Transfers between funds	At 30.6.23
	£	£		£
Unrestricted funds				
General fund	2,144,917	(212,746)	(41)	1,932,130
Biodynamic agriculture	25,019	(8,395)	-	16,624
Holistic Baby & Child Care BD 14/15	474	(107)	-	367
Library	188	(229)	41	-
Storytelling Beyond Words Designated	7,937	7,213	-	15,150
Education Fund	3,098	771	-	3,869
	<u>2,181,633</u>	<u>(213,493)</u>	<u>-</u>	<u>1,968,140</u>
Restricted funds				
Biodynamic agriculture fund	10,157	(519)	-	9,638
Initiative Group	1,593	-	-	1,593
Ruskin Hall (Refurbishment)	16,954	(1,020)	-	15,934
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	642	(429)	-	213
Emerson Bursary	1,467	5,920	-	7,387
Practitioners & Teachers	91,904	(22,210)	-	69,694
Mrs Hunter AnthroMed Scholarship	-	11,215	-	11,215
Eurythmy	-	1,072	-	1,072
Mrs Hunter AnthroMed Teachers Training	-	11,021	-	11,021
Pixton Restoration	-	3,497	-	3,497
Aesculapius AnthroMed	-	2,315	-	2,315
	<u>130,538</u>	<u>8,265</u>	<u>-</u>	<u>138,803</u>
TOTAL FUNDS	<u>2,312,171</u>	<u>(205,228)</u>	<u>-</u>	<u>2,106,943</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	1,221,758	(1,226,796)	(212,746)
Storytelling	7,214	-	7,214
Biodynamic agriculture	74	(8,469)	(8,395)
Holistic Baby & Child Care BD 14/15 Course Development	(107)	-	(107)
Library		(229)	(229)
Education Fund	<u>1,770</u>	<u>(1,000)</u>	<u>770</u>
	1,230,709	(1,236,494)	(213,493)
Restricted funds			
Biodynamic agriculture fund	-	(519)	(519)
Ruskin Hall (Refurbishment)	-	(1,020)	(1,020)
Bursary – Holistic Baby & Childcare	-	(1,087)	(1,087)
Library – Holistic Baby & Childcare	-	(1,510)	(1,510)
Storytelling General	-	(429)	(429)
Emerson Bursary	5,920	-	5,920
Practitioners & Teachers	-	(22,210)	(22,210)
Mrs Hunter AnthroMed Scholarship	50,065	(38,850)	(11,215)
Eurythmy	1,072	-	1,072
Mrs Hunter AnthroMed Teachers Training	15,000	(3,979)	11,021
Pixton Restoration	3,497	-	3,497
Aesculapius AnthroMed	2,315	-	2,315
	<u>77,869</u>	<u>(69,604)</u>	<u>8,265</u>
TOTAL FUNDS	<u>1,308,578</u>	<u>(1,306,098)</u>	<u>(205,228)</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

19. MOVEMENT IN FUNDS - continued
Comparatives for 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 Course Development	1,974	(1,500)	-	474
Library	229	(41)	-	188
Storytelling Beyond Words	4,227	3,710	-	7,937
Education fund		3,098	-	3,098
	<u>2,251,466</u>	<u>(69,833)</u>	<u>-</u>	<u>2,181,633</u>
Restricted funds				
Biodynamic Agriculture	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	135,701	(43,877)	-	91,904
	<u>182,062</u>	<u>(51,524)</u>	<u>-</u>	<u>130,538</u>
TOTAL FUNDS	<u>2,433,528</u>	<u>(121,357)</u>	<u>-</u>	<u>2,312,171</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	968,349	(1,043,493)	(75,144)
Storytelling	3,099	-	3,099
Holistic Baby & Child Care BD 14/15 Course Development		(1,500)	(1,500)
Education Fund	<u>3,710</u>	<u></u>	<u>3,710</u>
	975,158	(1,044,993)	(69,835)
Restricted funds			
Emerson Bursary	62	-	62
Practitioners & Teachers	-	(43,877)	(43,877)
Storytelling	-	(1,167)	(1,167)
Biodynamic agriculture fund	<u>-</u>	<u>(6,542)</u>	<u>(6,542)</u>
	62	(51,586)	(51,524)
TOTAL FUNDS	<u>975,220</u>	<u>(1,096,579)</u>	<u>(121,357)</u>

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

19. 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.

Mrs Hunter AnthroMed Scholarship

Bursaries for students attending the Anthroposophical Medicine Course.

Eurythmy

Resources to promote Eurythmy courses and related initiatives.

Mrs Hunter AnthroMed Teacher Training

Bursaries for training new teachers for the Anthroposophical Medicine course.

Piston Restoration Fund

Resources to promote the development of Pixton Building.

Aesculapius AnthroMed Fund

Bursaries for students attending the Anthroposophical Medicine course.

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 for library improvements.

Storytelling Beyond Words

Donations received are used to provide bursaries and course development.

20. 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. An estimated valuation as at 30 June 2023 has seen the deficit reduce to £8.16 million and Emerson's share to approximately £1.35 million. The best estimate valuation of the deficit at 31 December 2021 was £5.64 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 a number of years ago 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. Following the 2021 actuarial valuation the contribution plan has changed and the scheme actuaries anticipate the current payment plan will clear the deficit on, a "best estimate basis by 31 March 2034. Using a discount rate to reduce the deficit at 29 December 2021 to nil by 31 March 2034 the funding shortfall at 30 June 2023 was estimated to be £875,650 (2022: £705,300). The actuarial loss arising on this valuation was £207,708.

The total payments made to this pension scheme in the year under review was £98,402 (2022: £94,363). The payment was composed of 3 parts, pension administration £44,644, finance costs £16,400 & repayment of the deficit £37,358.

EMERSON COLLEGE TRUST LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED
for the year ended 30 June 2023

21. RELATED PARTY DISCLOSURES

Related party transactions for the year ended 30th June 2023 are disclosed in note 11.

22. TRADING INCOME AND EXPENDITURE

The subsidiary's income was £673,999 (2022: £482,399), made up of trading income £645,000 (2022: £430,000) and other income £33,380 (2022: £47,092) and the costs before donation and interest to Emerson College Trust Limited were £465,068 (2022: £382,024).

23. FINANCIAL PERFORMANCE OF THE CHARITABLE COMPANY

	2023	2022
	£	£
Income	1,033,598	881,339
Interest from intercompany loan	35,977	24,792
Gift from Subsidiary	177,943	70,360
Gain on sale of tangible fixed assets	-	-
	<u>1,247,518</u>	<u>976,491</u>
Expenditure on charitable activities	(1,245,038)	(1,097,849)
Actuarial loss	(207,708)	-
Net (expenditure)/income	(205,228)	(121,358)
Total funds brought forward	<u>2,312,169</u>	<u>2,433,528</u>
Total funds carried forward	<u>2,106,941</u>	<u>2,312,170</u>
Represented by:		
Unrestricted Funds	1,968,138	2,181,632
Restricted Funds	138,803	130,538
Total Funds	<u>2,106,941</u>	<u>2,312,170</u>