

Company Registration No. 246351
Charity Registration No. 529320

The Frere Educational Trust

(A company limited by guarantee and not having a share capital)

Trustees' Annual Report and Audited Financial Statements

For the year ended 31 August 2020

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The trustees present their annual report and the independently audited financial statements for the year ended 31 August 2020 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)'.

Administrative details

Company Registration Number: 246351

Charity Registration Number: 529320

Trustees: Father Oswin Gartside
Father George Paul Alfred Guiver
Brother Philip David John Nichols
The Very Rev'd Dr. Frances Ward

Also known as: The College of the Resurrection

Principal: The Right Rev'd Mark Sowerby (appointed 1 September 2019)

Secretary and Bursar: Mr Edward Alan Speight (retired 31 March 2020)
Mrs Adele Hannah (appointed 1 April 2020)

Charity Office/Registered Office: College of the Resurrection
Stocks Bank Road
Mirfield
West Yorkshire WF14 0BW

Advisers: Bankers: HSBC plc Market Place, Dewsbury, WF13 1DH
Bankers: CAF Bank Ltd 25 Kings Hill Avenue, West Malling, ME19 4JQ
Auditors: Forrest Burlinson 20 Owl Lane, Dewsbury, WF12 7RQ
Solicitors: Wrigleys Solicitors LLP 19 Cookridge Street, Leeds, LS11 5PU
Investments: Brewin Dolphin Securities, 12 Smithfield Street, London, EC1A 9BD

Purpose and activities

The purposes of the charity are: the advancement of religious education for the public benefit, and in particular to establish and maintain colleges, hostels or other institutes at Mirfield in Yorkshire, London, South Africa or elsewhere for the reception and training of students in theology, science, arts or letters, but more especially for students who are or who intend to become candidates for Holy Orders.

The College of the Resurrection, a residential Anglican theological college in Mirfield, is the principal work of the Frere Educational Trust.

The College of the Resurrection was founded in 1903 and is the only theological college in the Anglican Communion that shares its life with a monastic community.

Students at the College are mostly candidates for ordination to the priesthood.

The College:

- offers formation for both stipendiary and non-stipendiary ministry;
- provides pathways for pioneer ministers and theological educators;
- offers preparation for the distinctive diaconate and for a wide diversity of lay ministries in parishes and in monastic life.
- welcomes priests studying (part or full-time) for an MA, or undertaking sabbatical study.

Statement on public benefit

The trustees are pleased to confirm that they have considered the Charity Commission's guidance on public benefit in deciding the activities and operations of the charity.

Achievements and performance

Bishop Mark Sowerby took up the position of Principal on September 1st 2019, just as ten new students (5 women & 5 men) were preparing to join the College, including Br Marc Voase CR. Alas, during the year, two students were withdrawn from training by their bishops and at the end of the year a further student decided to complete his training at another college. Whilst the decisions may have been appropriate, there has been a modest negative impact on growth planned by the College Council and the Trustees.

Over the 2019-2020 academic year, Dr Dorothea Bertschmann was appointed to serve as Academic Dean and Fr Ben Gordon Taylor took scheduled sabbatical leave early in 2020.

Early in the academic year the Staff and College Council agreed to take on board the challenges of delivering Durham University Common Awards after Sheffield University's termination of the previous academic partnership. It was further decided that the College would benefit from joining the YTEP partnership, so becoming the only residential centre within a larger Theological Education Institution (TEI). There were significant challenges to engagement with both YTEP and Durham University and the College was fortunate, during Fr Ben's leave, to secure the services of Canon Cathy Rowling who served both as an Interim Tutor and as a curriculum consultant whilst we navigated the processes. The College is indebted to Dr Bertschmann and to Canon Rowling for their individual contributions to our planning for the transition. There was a pleasing crop of Sheffield BAs at the end of the academic year and very positive comments

The year has been challenging for academic and support staff, some of whom have suffered serious illness. We were sad at the retirement of Mr Alan Speight as College Bursar and at the departure of Charlotte Chittick for another position. We were pleased, however, at the appointment of Mrs Adele Hannah in succession to Alan Speight.

The trustees are particularly grateful to Mr Speight for his exemplary service as secretary to the Trust over many years.

Impact of the outbreak of Covid-19 on the College of the Resurrection

Much of the above has happened during the Covid19 pandemic which necessitated the closure of the College before Easter 2020 until September. Staff and students quickly learned how to operate in diaspora via Zoom. Visits to College by prospective students became impossible, though some students, who remained on site, were able to offer video-tours whilst others made themselves available for conversation and discussion with prospective students, all of which mitigated what might have proved disastrous for 2020 recruitment.

The trustees wish to register their appreciation to Bishop Mark for his oversight of the College during a first year which has been challenging beyond any in recent times.

Financial review

The Charity's main source of funding is from dioceses which are funded by Ministry Division of the Archbishops' Council for the education, formation and training of ordinands for the Church of England.

Income from maintenance and tuition fees for the year was £463,892 (2019: £440,956). This income is directly driven by student numbers. Additional income from provision of housing, receipts from guests and reimbursements for the year was: £66,635 (2019: £79,664).

Income generated by investments in the year was: £7,450 (2019: £7,508).

The investment strategy is to seek a broad balance of income and capital appreciation with low to moderate levels of risk as defined by our investment broker, whilst having regard to the liquidity requirements of operating the College and so ensuring sufficient notice is given of any potential cash flow requirements so that investment sales can be made at appropriate times.

At this present time the Charity's instruction to the investment broker does not refer to any specific social, environmental or ethical requirements, whilst trusting that investments will not be made in any wholly inappropriate investments.

The Charity gratefully received general donations of £4,561 (2019: £7,215) and legacies of £10,000 (2019: £570).

The annual grant from The Community of the Resurrection (the parent charity), which represents the income from investments transferred to the parent charity in 2007, was £9,306 (2019: £19,132).

The Community also made an additional grant towards staffing in the year of £30,000.

Following accounting standard FRS 102, the Charity recognises its obligations under the Church of England Funded Pensions Scheme of £27,000 (2019: £78,000). This obligation is to be met through higher current and future contributions. This places a significant burden on the financial resources of employing stipendiary academic staff and is taken into consideration by the trustees in planning the future of the College.

The General Fund, which is the operating fund of the Charity, held £176,270 as at 31 August 2020, after allowing for the potential liability arising on the multi-employer defined benefit pension scheme, this represents 8 weeks expenditure out of the 30-week term time, and 14 weeks of annual average expenditure.

This falls below the reserve policy of maintaining reserves at a level not below £200,000 and the trustees have plans in place to address this.

Reserves are defined as net current assets (cash, bank balances, and debtors less creditors) plus stock market investments.

Risk management

Risks have been assessed in accordance with Charity Commission guidance in CC26 and action plans put in place to mitigate or manage those risks. This covered risks associated with adverse event management, academic risk, compliance and safeguarding risks, operational risks (including data protection), and financial risks (including guarding against fraud risks and consideration of the risks associated with investments).

The risk register is monitored and updated on a regular basis.

A commonality with some of these, particularly financial risk, was student intake and the size of the

overall student body. Whilst the risk that numbers could fall to such a level as to be considered critical was judged to be only moderate, it does highlight the trustees' desire to have sufficient resources in place to support residential training for the future.

Future plans

Student numbers remains key to the stability of the College and renewed effort has been put into recruitment, including a growing presence on social media and the release of an audio-visual prospectus. The College also continues to seek and sustain excellent relations with Directors of Ministry and Directors of Ordinands across the Church.

The College has also been considering developing its post graduate offering but has felt unable to embark upon and to promote a programme of awards whilst fulfilling its remaining obligations to Sheffield University. It is hoped that we shall, next year, be in a position to offer and to publicise a programme of post-graduate courses rooted in Durham University's Common Awards.

With the Ministry Council exploring, once again, the way in which theological education is resourced and the balance of residential and non-residential training, the College may need to consider how best it can offer a significant residential element to an otherwise non-residential (and less costly) training pathway.

Structure, Governance and Management

The Charity is a company limited by guarantee and not having a share capital is governed by its Memorandum and Articles of Association.

The directors of the Charity are its trustees for the purposes of charity law and throughout this report are referred to as the trustees. The trustees as Charity Trustees have control of the Charity and its property and funds.

Each member undertakes to contribute to the assets of the Charity in the event of the Charity being wound up, to a limit not exceeding £1 (one pound).
The sole member of the Frere Educational Trust is the Community of the Resurrection which is a company limited by guarantee and not having a share capital and a registered charity.

The trustees named above have served throughout the year except where indicated.
The trustees agree the broad strategy and areas of activity the Charity undertakes in accordance with the Articles of Association. This requires that the trustee body must include the Superior for the time being of the Community of the Resurrection and such other persons nominated by the Community.

The Charity recognises that it has a responsibility to provide guidance and assist new trustees in fulfilling their duties and responsibilities. This is done in accordance with Charity Commission guidance. New trustees are given appropriate Charity Commission publications.

The trustees have delegated some responsibilities, in particular, oversight of the day-to-day running of the College to the College Council.

The Council has 19 members, including the Chair (a Bishop), The Superior of the Community, three Community brothers, the College Principal, a member of the teaching staff, a representative of St. Hild College, members of Synod, three student representatives and other members with business, legal, educational and clerical experience.

The following subcommittees have delegated responsibilities: Finance and General Purposes and Staffing subcommittees which meet regularly.

Management Team meetings are held once a month and deal with day-to-day management of the College. The meetings are attended by the Principal of the College, a College Tutor, the Bursar, the Secretary and the Estate Manager of the Community and College.

Pay policy for senior staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. The pay of academic staff is in line with guidance issued each year by the Archbishops' Council of the Church of England (known as the "Lichfield Scale").

Co-operation with other organisations

The Charity works with and co-operates with the following organisations:

- The Community of the Resurrection, its parent company;
- The Ministry Division of the Archbishops' Council of the Church of England;
- St. Hild College;
- The Yorkshire Theological Education Partnership;
- The Leeds Diocesan School of Ministry.

The Community of the Resurrection

The Charity is a wholly owned subsidiary of the Community of the Resurrection (its parent company), which is a company limited by guarantee and having no share capital and a registered charity.

The Charity operates out of buildings, including the College, which are owned by the Community.

The Charity meets the day to day running costs of these buildings.

Some of the expenditure of the Charity is incurred by the Community and recharged to the Charity on an agreed basis which both organisations consider to be an equivalent to that between unrelated parties. Details and amounts for these transactions are given in the accounts.

Statement of trustees' responsibilities

The trustees (who are also directors of the Frere Educational Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report (incorporating the directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (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 and of the income and expenditure of the charitable company for that period.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act; the Charities Act; the applicable Charities (Accounts and Reports) Regulations, and the provisions of the Articles of Association. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of disclosure to the auditors

In so far as the trustees are aware at the time of approving our Trustees' Annual Report:

- there is no relevant information, being information needed by the auditors in connection with preparing their report, of which the charity's auditors are unaware; and
- each trustee, having made enquiries of fellow trustees and the charity's auditor that they ought to have individually taken, have each taken all steps that he or she is obliged to take as a trustee/director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

This report was approved by the trustees on 17 November 2020 and signed on their behalf by:

.....
Father Oswin Gartside
Trustee
Frere Educational Trust

.....
Brother Philip David John Nichols
Trustee
Frere Educational Trust

Opinion

We have audited the financial statements of The Frere Educational Trust for the year ended 31 August 2020 which comprise the Statement of Financial Activities and Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and applications of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 20 to the financial statements, 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.

Emphasis of matter - Impact of the outbreak of Covid-19 on the financial statements

In forming our opinion on the Charity's financial statements, which is not modified, we draw your attention to the trustees' view on the impact of Covid-19 as disclosed on page 2, the consideration given in the going concern basis of preparation on page 13 and non-adjusting post balance sheet events on page 22. The global pandemic which became significant in March 2020 is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of Covid-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the Charity's operations, beneficiaries and wider economy.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information including in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report included within the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement (set out on page 6, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Use of our report

This report is made solely to the charitable company's member, 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 member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's member as a body, for our audit work, for this report, or for the opinions we have formed.

.....

.....17 November.....2020

Ebrahim Suleman (Senior Statutory Auditor)
for and on behalf of Forrest Burlinson, Statutory Auditor

20 Owl Lane
Shawcross
Dewsbury
WF12 7RQ

The Frere Educational Trust
Statement of Financial Activities
and Summary Income and Expenditure Account
for the year ended 31 August 2020

Company Registration No. 246351

Charity Registration No. 529320

		Unrestricted	
	Note	Total 2020 £	Total 2019 £
Income from:			
Donations and legacies	2	55,510	49,006
Charitable activities:			
Operation of the College of the Resurrection	3	530,527	520,620
Investments	4	7,450	7,508
Total income		593,487	577,134
Expenditure on:			
Charitable activities:			
Operation of the College of the Resurrection	5	634,149	625,873
Total expenditure		634,149	625,873
Net gains/(losses) on investments	6	(14,616)	(1,282)
Net income/(expenditure)		(55,278)	(50,021)
Net movement in funds	7, 14	(55,278)	(50,021)
Reconciliation of funds:			
Total funds brought forward		231,548	281,569
Total funds carried forward		176,270	231,548

		Unrestricted Total 2020 £	Total 2019 £
Fixed assets:	Note		
Investments	11	204,226	265,643
Total fixed assets		204,226	265,643
Current assets			
Debtors	12	1,951	2,018
Cash at bank and in hand		20,847	58,904
Total current assets		22,798	60,922
Liabilities: creditors falling due within one year	13	(23,754)	(17,017)
Net current assets/(liabilities)		(956)	43,905
Total assets less current liabilities		203,270	309,548
Liability arising on multi-employer defined benefit pension scheme re past services	10	(27,000)	(78,000)
Net assets		176,270	231,548
The funds of the charity:			
Unrestricted income funds	14	176,270	231,548
Total charity funds		176,270	231,548

The notes on pages 13 to 22 form part of these accounts.

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small entities and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board on 17 November 2020 and signed on their behalf by:

.....
Oswin Gartside
Trustee

.....
Philip David John Nichols
Trustee

	note	Total 2020 £	Total 2019 £
Cash flows from operating activities			
Net movement in funds		(55,278)	(50,021)
(Gains)/losses on investments		14,616	1,282
Investment income		(7,450)	(7,508)
Decrease (increase) in debtors		67	17,464
Increase (decrease) in creditors		6,737	(3,131)
Increase (decrease) in pensions liability		(51,000)	14,000
Net cash used in operating activities		(92,308)	(27,914)
Cash flows from investing activities:			
Investment income		7,450	7,508
Proceeds from sale of investments		66,898	20,073
Purchase of investments		(20,097)	(18,236)
Net cash provided by (used in) investing activities		54,251	9,345
Change in cash and cash equivalents in the reporting period		(38,057)	(18,569)
Cash and cash equivalents at the beginning of the period		58,904	77,473
Cash and cash equivalents at the end of the period		<u>20,847</u>	<u>58,904</u>
Reconciliation of cash and cash equivalents			
Bank and cash in hand		20,847	58,904
Total cash and cash equivalents		<u>20,847</u>	<u>58,904</u>

1 Accounting Policies

The charitable company is a public benefit entity as defined by FRS 102.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

1.1 Basis of preparation of accounts

The financial statements have been prepared in accordance with 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' - the Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Assets and liabilities are recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note. Monetary amounts in these financial statements are nearest £.

As the charitable company does not trade for profit, the trustees have taken advantage of Section 474 of the Companies Act 2006 and have prepared an income and expenditure account instead of a profit and loss account.

1.2 Legal status

The Charity is a company limited by guarantee, incorporated in England.

The only member of the charity is the Community of the Resurrection (Co.reg.no. 00247772), a company limited by guarantee, having no share capital and being a charity registered in England (no. 232670).

In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member. The trustees of the charity are as listed in the Trustees Annual Report.

The registered office is: The College of the Resurrection, Stocks Bank Road, Mirfield, WF14 0BW.

1.3 Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity.

Designated funds comprise unrestricted funds that the trustees have decided at their discretion to set aside for a particular purpose. The aim and use of each designated fund is set out in these notes.

The Charity had no restricted funds during the year, or the comparative year.

1.4 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Income

Income is recognised when the following criteria are met:

- the charity has entitlement to the funds;
- any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity;
- it is probable that the income will be received; and
- the amount can be measured reliably.

Income from grants, whether capital grants or revenue grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Donated services and facilities are included at the value to the charity where this can be quantified. In accordance with the Charities SORP (FRS 102) the economic contribution of volunteers time is not measured in the accounts.

For legacies entitlement is the earlier of the date on which the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) that a distribution to the charity will be made, or when a distribution is received. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material in the notes to the accounts.

Income received in advance of the provision of a service or entitlement is deferred until the criteria for income recognition are met and disclosed if material in the notes to the accounts.

Income from investments is included when receivable and the amount can be measured reliably, this is normally upon notification of the income by the investment manager.

1.6 Expenditure and VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure on charitable activities includes the costs of operating the College of the Resurrection, such as university fees, premises expenses, staff costs and associated support costs.

Support costs include office, administration and governance costs. These are noted below and included under the one charitable activity, namely the operating of the College of the Resurrection.

All costs and expense includes VAT where charged which is not recoverable by the charity.

1.7 Operating leases

The charity classifies the lease of printing and photocopying equipment as operating leases. The title to the equipment remains with the lessor and the equipment is replaced considerably before the end of the normal economic life of the equipment. Rental charges are recognised as expenditure on a straight line basis over the term of the lease.

1.8 Taxation

No corporation tax has been provided in these accounts because the trustees believe that the income and gains of the charity are within the exemptions granted by Chapters 2 and 3 of the Corporation Tax Act 2010.

1.9 Investments

Investments are stated at fair value (market value) at the reporting date.

All material investments held are within a professionally managed portfolio and have readily available market values.

1.10 Debtors

Debtors are recognised at the settlement amount due after any discount offered.

1.11 Cash at bank and in hand

Cash at bank and in hand includes cash and any short term highly liquid investments and deposit accounts.

1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any discounts due.

1.13 Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently at their settlement value with the exception of bank loans which are measured at amortised cost using the effective interest method.

1.14 Pensions

The College participates in two pension schemes, one for stipendiary academic staff (CEFPS) and one for other academic and lay staff (CWPF), each scheme has been accounted for in these accounts as follows:

The College of the Resurrection participates in the Church of England Funded Pensions Scheme (CEFPS) for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Responsible Bodies. Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends. The scheme is considered to be a multi-employer scheme as described in section 28 of FRS 102. This means it is not possible to attribute the scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the scheme were a defined contribution scheme.

The pension costs charged to the Statement of Financial Activities in the year are contributions payable towards benefits and expenses accrued in that year, plus the figures highlighted in the table in note 10.

The College of the Resurrection also participates in the Pension Builder section of the Church Workers Pension Fund (CWPF). The scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the employer and other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from a member's Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme (see note 10).

2 Donations and legacies

	Unrestricted	Total
	2020	2019
	£	£
General donations	4,561	7,215
Legacies	10,000	570
Grants received	40,949	41,221
Total income from donations and legacies	55,510	49,006

The income from legacies refers to one legacy which was for the general purposes of the charity.

3 Income from charitable activities

	Unrestricted	Total
	2020	2019
	£	£
Operation of the College of the Resurrection:		
Housing account	53,525	57,834
Maintenance and tuition fees	463,892	440,956
Receipts from holidays and guests	11,028	18,043
Reimbursements	1,167	3,787
Sundry Income	915	--
Total income from charitable activities	530,527	520,620

4 Investment income

		Unrestricted	Total
		Total	2019
	note	2020	£
		£	
Income from Investments			
Income from investments	11	7,429	7,484
Bank interest receivable		21	24
		7,450	7,508

5 Expenditure on operating the College of the Resurrection

	Total 2020 £	Total 2019 £
College staff costs	305,579	242,000
Pension liability on past service cost 10	(51,000)	14,000
University fees and student expenses	103,073	95,493
Library and Mirfield Liturgical Institute	19,292	21,368
Premises and catering costs	192,847	189,222
Housing costs	29,248	21,771
Office and IT costs	22,801	25,210
Motoring and travel costs	5,103	9,568
Promotion	216	713
Professional fees	2,430	1,528
Governance costs	4,560	5,000
	634,149	625,873

All the above expenditure was incurred on the one charitable activity namely the College of the Resurrection.

6 Net gains/(losses) on investments

	Total 2020 £	Total 2019 £
Net realised gains/(losses) on investments	(3,657)	(423)
Net unrealised gains/(losses) on investments	(10,959)	(859)
	(14,616)	(1,282)

7 Net movements in funds for the year

Net movements in funds for the year is stated after charging:

	Total 2020 £	Total 2019 £
Operating leases - equipment	7,003	7,003
Auditors' remuneration: Audit fees	2,415	2,855
Accountancy services	2,145	2,145
Other professional services	1,200	1,200

8 Support costs

All support costs are incurred in the charity's one charitable purpose, operating the College of the Resurrection

	Total 2020 £	Total 2019 £
Admin Staff	81,956	84,315
IT costs	11,485	11,295
Other support costs	16,166	19,748
	109,607	115,358

9 Employees

The average monthly head count of employees was:

	2020 Number	2020 FTE	2019 Number	2019 FTE
Administration staff (No. staff members)	2	2	3	2
Teaching staff (No. staff members)	5	5	3	3
	7	7	6	5

The cost in respect of administration and teaching staff was:

	note	Total 2020 £	Total 2019 £
Wages and salaries		205,548	154,618
Social security costs		20,970	15,371
Employer's contribution to pensions			
Church of England Funded Pension Scheme	10	40,802	32,096
- reduction in liability on past service cost	10	(51,000)	14,000
Church Workers Pension Fund contributions	10	4,759	5,003
Staff training and allowances		31,064	27,195
Recruitment costs		1,440	1,800
		253,583	250,083

No remuneration or expenses were paid to any trustee in the year for duties as a trustee (see note 17).

No employee had emoluments exceeding £60,000 in the year or the comparative year.

The total remuneration paid to Key Management in the year was £62,962 (2019: £19,113)

10 Staff pensions

Church of England Funded Pension Scheme (CEFPS) (note 1.14)

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

- an average discount rate of 3.2 p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA_VL tables, with allowance for improvements in mortality rates in line with the CMI 2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% p.a.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the following table.

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

As at 31 December 2017 and 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

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

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

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

	2020 £	2019 £
Balance sheet liability at 1 September	78,000	64,000
Deficit contribution paid	(10,000)	(10,000)
Interest cost	2,000	1,000
Remaining change to the liability*	(43,000)	23,000
Balance sheet liability at 31 August	27,000	78,000

* comprises the change in agreed deficit recovery plan, and change in discount rate and assumptions between the period ends.

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

	December 2019	December 2018	December 2017
Discount rate	1.1% pa	2.1% pa	1.4% pa
Price inflation	2.8% pa	3.1% pa	3.0% pa
Increase to total pensionable payroll	1.3% pa	1.6% pa	1.5% pa

The legal structure of the scheme is such that if another Responsible Body fails, the Frere Educational Trust could become responsible for paying a share of that Responsible Body's pension liabilities.

Church Workers Pension Fund (CWPF) (note 1.14)

The pension costs charged to the Statement of Financial Activities in the year were contributions payable of £4,759 (2019: £5,003).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation was carried out as at 31 December 2016. For the Pension Builder Classic section, the valuation was a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, The Frere Educational Trust could become responsible for paying a share of that employer's pension liabilities.

11 Investments	Listed investments	Cash	Other Investments	Total £
Market value at 1 September 2019	256,800	8,743	100	265,643
Additions to investments at cost	20,097	(5,931)		14,166
Disposals	(64,624)			(64,624)
Net gain/(loss) on revaluation	(10,959)			(10,959)
Market value at 31 August 2020	<u>201,314</u>	<u>2,812</u>	<u>100</u>	<u>204,226</u>
Historical cost	<u>190,545</u>	<u>2,812</u>	<u>100</u>	<u>193,457</u>

	Total 2020 £	Total 2019 £
Classes of investments:		
Managed portfolio:		
UK Government bonds	--	9,854
Other UK bonds	47,800	62,270
Overseas bonds	8,460	--
Equities	145,054	184,676
Cash	2,812	8,743
Other investments	<u>100</u>	<u>100</u>
	<u>204,226</u>	<u>265,643</u>

All the above are managed and held in the UK.

Other investments are shares held in Christ Church St. Leonards On Sea House Improvement Society and are included at cost/probate value.

12 Debtors	Total 2020 £	Total 2019 £
Debtors from operating activities	1,951	2,018
	<u>1,951</u>	<u>2,018</u>

13 Creditors amounts falling due within one year	Total 2020 £	Total 2019 £
Creditors from operating activities and accruals	17,968	13,797
Taxation and social security	5,786	3,220
	<u>23,754</u>	<u>17,017</u>

14 Analysis of movements in unrestricted funds

	Funds as at 1 September 2019	Income	Expense	Gains/ (losses)	Transfers	Funds as at 31 August 2020
	£	£	£	£	£	£
General fund	309,548	593,487	(685,149)	(14,616)	--	203,270
Pension reserve	(78,000)	--	51,000	--	--	(27,000)
Total unrestricted	231,548	593,487	(634,149)	(14,616)	--	176,270

Analysis of movements in unrestricted funds - prior year

	Funds as at 1 September 2018	Income	Expense	Gains/ (losses)	Transfers	Funds as at 31 August 2019
	£	£	£	£		£
General fund	345,569	577,134	(611,873)	(1,282)	--	309,548
Pension reserve	(64,000)	--	(14,000)	--	--	(78,000)
Total unrestricted	281,569	577,134	(625,873)	(1,282)	--	231,548

The General fund is the principal fund of the Charity. The income produced is used to support the work of the College of the Resurrection.

Restricted funds

The Charity held no restricted funds during the year.

15 Analysis of net assets between funds

	General Fund	Pension Reserve	Total
	£	£	£
Investments	204,226	--	204,226
Current assets	22,798	--	22,798
Creditors falling due within one year	(23,754)	--	(23,754)
Liability on multi-employer defined benefit pension scheme	--	(27,000)	(27,000)
	203,270	(27,000)	176,270

Analysis of net assets between funds - prior year

	General Fund	Pension Reserve	Total
	£	£	£
Investments	265,643	--	265,643
Current assets	60,922	--	60,922
Creditors falling due within one year	(17,017)	--	(17,017)
Liability on multi-employer defined benefit pension scheme	--	(78,000)	(78,000)
	309,548	(78,000)	231,548

16 Events after the reporting date

Significant uncertainty continues to arise due to the impact of Covid-19.

Any future significant changes are considered to be a non-adjusting event in relation to these financial statements. The trustees continue to monitor any impacts of Covid-19 on the Charity, but as of the date of signing these financial statements do not believe that there has been any significant impact requiring disclosure.

17 Related Party Transactions

The charity has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 not to disclose related party transactions with its parent company, details of which are in note 19.

The charity has also taken advantage of the exemptions under the same not to disclose services provided on a voluntary basis by trustees, contracts of employment between the charity and its employees, and repayment of any out-of-pocket expenses where the trustees or key management have acted as agent for the charity.

There were no other related party transactions in either 2019 or 2020. Details of key management personnel compensation can be found in note 9 above.

18 Operating lease commitments

Lessee

At the reporting date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Office equipment		
Not later than one year	6,936	6,936
Later than one year and not later than five years	5,784	12,720
	<u>12,720</u>	<u>19,656</u>

19 Parent undertaking

The ultimate parent undertaking and controlling party is The Community of the Resurrection which is incorporated in Great Britain and registered in England, number 247772. Registered charity no. 232670. Three of the trustees are members of The Community of the Resurrection, two of which are CR trustees. The Community of the Resurrection is an anglican religious community.

The consolidated financial statements of the group are available on the Charity Commission website and from The Bursar, The House of the Resurrection, Mirfield, West Yorkshire, WF14 0BN.

20 Auditors' ethical standards

In common with many organisations of our size and nature we use our auditors to prepare and submit returns to Companies House and the Charity Commission and assist with preparation of the financial statements and deal with the tax authorities.