

Charity Registration No. 288011

Company Registration No. 01758668 (England and Wales)

ST AUGUSTINE'S COLLEGE OF THEOLOGY
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

ST AUGUSTINE'S COLLEGE OF THEOLOGY

LEGAL AND ADMINISTRATIVE INFORMATION

BOARD OF TRUSTEES

Ex-officio Members

The Rev'd Dr A Gregory	Principal
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Co-opted Members

The Rev'd Jonathan Croucher	Chair
The Rev'd Daphne Clifton (appointed July 2019)	
The Rev'd John Tattersall	Treasurer
Dr John Moss	
Mr A Strawson	Company Secretary
The Rev'd Canon Rebecca Swyer	

The trustees for the period of this report are set out above and are, for the Companies Act purposes, Directors of the Company. All Trustees listed above have held office since the Report of the Trustees, except where changes have been noted. In October 2019, John Irwin was co-opted as Trustee and Treasurer.

COUNCIL OF REFERENCE

Members of the Council of Reference

The Rev'd John Tattersall (resigned October 2019)	
The Rev'd Nigel Collins	Canterbury Diocese
The Rev'd Canon Joss Walker	Canterbury Diocese
The Rev'd Canon Dr Amanda Ford	Southwark Diocese
The Rev'd Canon Leanne Roberts	Southwark Diocese
The Venerable Andrew Wooding-Jones (resigned July 2019)	Rochester Diocese
The Rev'd Canon Katrina Barnes	Rochester Diocese
The Rev'd Canon Lisa Barnet	Chichester Diocese
The Rev'd Mr Bradley Smith	Chichester Diocese
The Rev'd Prebendary Dr Neil Evans	London Diocese
The Rev'd Canon Gary Jenkins	General Synod
The Rev'd Dr Simon Stocks	Staff Representative
The Rev'd Canon Julie Gittos (resigned July 2019)	Guildford Diocese
Mr John Blackburne	Student Representative

ST AUGUSTINE'S COLLEGE OF THEOLOGY

LEGAL AND ADMINISTRATIVE INFORMATION

Charity number	288011
Company number	01758668
Registered office	52 Swan Street West Malling Kent ME19 6JX
Auditor	Crossley Financial Accounting Limited Star House Star Hill Rochester Kent ME1 1UX
Bankers	HSBC Bank Plc Medway Street Chatham Kent ME4 4DN
Solicitors	Winch & Winch 5 New Road Avenue Chatham Kent

ST AUGUSTINE'S COLLEGE OF THEOLOGY

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ST AUGUSTINE'S COLLEGE OF THEOLOGY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2019

The trustees present their report and financial statements for the year ended 31 August 2019.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016).

Objectives and activities

In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit and in particular to its supplementary public benefit guidance, and are satisfied that St Augustine's meets such guidance.

In its governing document, the object of St Augustine's is to "advance the Christian religion by the promotion of theological education and training".

In 2006 the Board of Trustees clarified this object in terms of St Augustine's core purpose as being "to serve its sponsoring churches by providing programmes of ministerial formation and theological education that are accessible to people living or working in the region (South London, Kent and Sussex)."

At present, St Augustine's fulfils its core purpose through four major activities:

- Providing an accredited programme of ministerial formation through part time or full time study for sponsored ordained ministry candidates from the Anglican Churches. This programme is also open to qualified candidates from other Christian denominations
- Providing an agreed programme of ministerial formation through part time study for sponsored candidates for Reader ministry from the Diocese of Canterbury, the Diocese of Southwark and the Diocese of Chichester. Administering the accreditation and managing quality control, as well as providing some teaching and curricular consultation, for the post ordination programme (IME Phase 2) offered in Canterbury, Chichester and Rochester Diocese
- Making Common Awards certificate, diploma, BA and post graduate qualifications (Graduate Diploma; MA) available to students interested in theological education but not training for ordination or licensed lay ministry.
- Offering short courses and workshops for both lay interest and the continuing education of licensed and ordained ministers.

In order to fulfil its core purpose, St Augustine's needs to do the following on a year by year basis:

- Ensure these current activities are properly resourced, effectively managed, delivered in accordance with national frameworks and agreed documentation, and developed in the light of national policy, regional priorities, student and stakeholder feedback, as well as its own evaluation and assessment procedures.
- Monitor the extent to which the range of its current activities provides the quality of ministerial formation and theological education necessary to meet the needs both of its sponsoring churches and of independent students. To continue to develop curricular initiatives designed to broaden both the educational services provided by St Augustine's and the constituency the College serves.

The structure of governance and management set out further in the report is designed to support these aims and is effective in enabling them to be met.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2019**

Achievements and performance **GOING CONCERN**

After making appropriate enquiries, the Trustees have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

REVIEW OF ACTIVITIES

During the year to 31 August 2019, 67 (2018: 49) Ministerial Students were in training for ordination at St Augustine's. There were 16 Readers in Training from the Diocese of Canterbury (2018: 17); 16 from the Diocese of Southwark (2018: 14) and 10 from the Diocese of Chichester (2018:10). The phase 2 (IME 4-7) programme continued to expand with student numbers as follows; Canterbury 17 (2018: 24), Chichester 17 (2018: 29) and Rochester 24 (2017: 31). In addition the Independent pathway continued to expand with 60 Independent Students (2018: 55).

Overall recruitment for 2018-19, saw a record number of ordinand applications (33). The number of applications received by August 2019, for the 2019 - 20 academic year has been similarly high (31). There is therefore a reasonable prospect of a return to an operating surplus in 2 years. Independent student applications have also maintained the growth trend seen over the past two years, though the number of Licensed Lay Ministry students sent by the sponsoring dioceses has gone down.

During 2018-19 four sets of evening classes were running at Trinity House, and three at West Malling, together with four sets of Teaching Day classes, held every Friday, for a total of thirty weeks. In addition, nine residential weekends were held at various locations and an eight day Residential School for Ordained Ministry Students at the Kings School, Canterbury.

The college continues to benefit from the excellent setting and facilities at its West Malling site. We have enlarged our program of short courses and workshops for lay education and for ministerial continuing development. Initiatives in Bible, Preaching and Spirituality have proved especially popular.

A significantly more focused programme of fundraising has produced the 'Friends of St Augustine's Association', designed to strengthen our contacts with alumni and provide a context for giving. Alumni have responded with enthusiasm and over fifty are making monthly or quarterly contributions as members of the Friends. Thanks to generous donations of books from a number of sources, the college has added around £5,000 worth of titles to the St Agnes Mason library at West Malling and raised a further £1,500 from the sale of duplicate and more dated books. Having exceeded our goals with regard to library funding, the college has now set up the Tattersall fund in order to provide bursaries for independent students unable to meet tuition costs. Additional fundraising initiatives currently include seeking grants for ecumenical trips abroad and for additional teaching to equip ordinands in the field of educational and pastoral work with children and schools.

From September 2015 Durham University has accredited all new programmes and students under the Church of England's Common Awards programme. Under this accreditation, St Augustine's offers certificate, diploma (both undergraduate and graduate) and degree courses (BA and MA). As of September 2019, the college is piloting a Ph. D. program in partnership with the Durham Department of Theology. St Augustine's programmes are also accredited as training routes for ordained ministry in the Church of England by the Churches' Quality in Formation Panel. On behalf of the Dioceses of Canterbury, Southwark, Rochester, and Chichester, St Augustine's offers accredited courses for Reader Ministry in the Church of England and an administrative partnership for the continuing education of newly ordained clergy (IME Phase 2). Both the University and the Church operate their own quality management and enhancement procedures in relation to the activities of the College, including annual exam boards, approval of programme documentation and periodic inspection/audit.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

RESULTS FOR THE YEAR

The Statement of Financial Activities shows a slight improvement in the operating result to a deficit of £58,072 compared to a deficit of £91,320 in 2018. The deficit reflects the expenditure which the Trustees have incurred to widen St Augustine's additional activities and to rationalise its cost base which should position it well to operate successfully in future years, as has been seen in the record number of ordinands applications for 2018/19, though further deficits may arise in the future as the College's activities return to profitability.

The Trustees' investment policy is to maximise the yield on its financial investments held subject to maintenance of their capital value in real terms. Investments have been realised in recent years in order to fund St Augustine's continued operations given the deficits which it has suffered. Trustees are pleased to note that in recent years its investments have met these objectives.

BALANCE SHEET

The College's Balance Sheet remains strong following the sale of residential properties in previous years. Net Assets fell to £587,770 (2018: £645,842), reflecting the deficit for the year and Net Current Assets decreased to £149,685 (2018: £171,139), reflecting the deficit less the impact of realisation of certain investments.

RESERVES POLICY

The Trustees have approved a policy on its Reserves, which states that the charity needs sufficient free reserves to enable it to meet its charitable obligations in the eventuality of an unexpected revenue shortfall.

Free reserves are defined by the Charity Commission as Unrestricted Funds available to spend on the general purposes of the charity and therefore, excluding those Designated for particular purposes and those already utilised in purchasing tangible assets.

The Trustees believe that the level of reserves freely available for its general purpose should be sufficient to accommodate St Augustine's continuing needs and to maintain its freehold and leasehold premises at an appropriate level, having regard to the bank finance facilities available to it. The Trustees review this policy annually.

At the end of the year ended 31 August 2019 the Unrestricted Reserves stood at £574,677 (2018: £632,813) of which £269,375 (2018: £278,897) has been used to finance tangible fixed assets, leaving £305,302 (2018: £353,916) as free reserves.

MEMBERS' LIABILITY

On liquidation of the company, any residual surplus is to be transferred to the Central Board of Finance of the Church of England. In the event of a deficiency, Members then in office are each required to contribute a sum not exceeding £1.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management

St Augustine's College of Theology's governing document is its Memorandum and Articles of Association (5 June 2018). It was incorporated as a Company Limited by Guarantee on 4 October 1983.

On September 1st 2018, the new governance structure, approved by Council earlier that year, was implemented. This created a smaller Board of Trustees and a Council of Reference consisting of representatives of designated stakeholders and some members nominated for particular skills and experience. The four core dioceses have appointed two people to the Council of Reference, with other participating dioceses appointing one. Each core diocese also appointed a Member of the Company, the members being responsible for the election of trustees. The members may, but do not have to be, appointed to the Council of Reference. The Board of Studies has continued as a committee of the Board of Trustees.

The college employs a permanent staff team of 7.8 full time equivalents (FTE). The team is led by the Principal, the Reverend Dr Alan Gregory. The staff team consists of 5 members of academic staff (4.2 FTE) together with 4 members of administrative staff (3.6 FTE). In addition to this there are a number of associate tutors, as well as part time staff, involved in specific areas of the College's work.

St Augustine's offices are based at Pax House, 52 Swan Street, West Malling, ME19 6QX. St Augustine's London office is based in Trinity House, the offices of the Diocese of Southwark. Mid-week teaching activities take place in West Malling (evening classes and weekly teaching days) and in Southwark (evening classes), with residential events held mostly at Malling Abbey, with one in Canterbury and another in Ashburnham, Sussex. In September 2018, the college opened a designated library space in Trinity House. The new location has received excellent reviews from students and the college has benefitted from the convenience of having the classrooms in the same building as its office space and meeting rooms.

The staff team has a regular programme of meetings that address issues of monitoring, review, planning and development as well as routine business. There are also regular staff student liaison meetings; and, at least twice a year, a day of discussion and planning with our associate teaching staff.

Principal risk and uncertainties

The Trustees review the risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. To mitigate this risk regular liaison with Diocesan Directors of Training and Ministry Division to ensure the content of the programmes meet the needs of both dioceses and the Church of England. The college has also made progress pursuing stronger links with two dioceses who, until, now have rarely sent students. Internal risks are mitigated by the implementation of a series of procedures and controls that are reviewed in the risk register.

The Trustees are responsible for the management of all risks faced by the College. The risk management policy is reviewed regularly by the Trustees.

Pay and remuneration of senior staff

Ordained members of staff are remunerated according to the Archbishops' Council of the Church of England's published remuneration scale for ordained college staff (the "Lichfield Scale").

ST AUGUSTINE'S COLLEGE OF THEOLOGY

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) **FOR THE YEAR ENDED 31 AUGUST 2019**

Statement of trustees' responsibilities

The trustees, who are also the directors of St Augustine's College of Theology for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires 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 year.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the 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 disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved have confirmed that:

- so far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and
- Trustees have taken all the steps that ought to have been taken as Trustees in order to be aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees' report was approved by the Board of Trustees.

Mr A Strawson

Trustee

Dated: 29 May 2020

ST AUGUSTINE'S COLLEGE OF THEOLOGY

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ST AUGUSTINE'S COLLEGE OF THEOLOGY

Opinion

We have audited the financial statements of St Augustine's College of Theology (the 'charitable company') for the year ended 31 August 2019 which comprise the statement of financial activities, the statement of financial position, the statement of cash flows and the 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 2019 and of its incoming resources and application of resources, 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 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

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 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 auditor's report 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 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.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ST AUGUSTINE'S COLLEGE OF THEOLOGY

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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 purpose 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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF ST AUGUSTINE'S COLLEGE OF THEOLOGY

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

S Meah FCCA (Senior Statutory Auditor)

for and on behalf of Crossley Financial Accounting Limited

29 May 2020

**Chartered Accountants
Statutory Auditor**

Star House
Star Hill
Rochester
Kent

Crossley Financial Accounting Limited is eligible for appointment as auditor of the charitable company by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006

ST AUGUSTINE'S COLLEGE OF THEOLOGY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
<u>Income from:</u>					
Donations and legacies	3	23,837	-	23,837	8,780
Income from charitable activities	4	658,767	-	658,767	559,883
Investments	5	10,725	64	10,789	13,793
Total income		693,329	64	693,393	582,456
<u>Expenditure on:</u>					
Charitable activities	6	749,368	-	749,368	680,151
Net gains/(losses) on investments		(2,097)	-	(2,097)	6,375
Net movement in funds		(58,136)	64	(58,072)	(91,320)
Fund balances at 1 September 2018		632,813	13,029	645,842	737,162
Fund balances at 31 August 2019		574,677	13,093	587,770	645,842

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

STATEMENT OF FINANCIAL POSITION

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	11	269,375		278,897	
Investments	12	169,710		196,806	
		<u>439,085</u>		<u>475,703</u>	
Current assets					
Debtors	13	87,614		95,996	
Cash at bank and in hand		111,559		126,524	
		<u>199,173</u>		<u>222,520</u>	
Creditors: amounts falling due within one year	14	<u>(49,488)</u>		<u>(51,381)</u>	
Net current assets			149,685		171,139
Total assets less current liabilities			588,770		646,842
Provisions for liabilities			<u>(1,000)</u>		<u>(1,000)</u>
Net assets			<u>587,770</u>		<u>645,842</u>

ST AUGUSTINE'S COLLEGE OF THEOLOGY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Income funds					
Restricted funds	16	13,093		13,029	
Unrestricted funds - general		574,677		632,813	
		<u>587,770</u>		<u>645,842</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2019, although an audit has been carried out under section 144 of the Charities Act 2011.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

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

The financial statements were approved by the Trustees on 29 May 2020

The Rev'd J Croucher
Chair

Company Registration No. 01758668

ST AUGUSTINE'S COLLEGE OF THEOLOGY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash absorbed by operations	20		(50,753)		(83,221)
Investing activities					
Purchase of tangible fixed assets		-		(6,637)	
Proceeds on disposal of investments		24,999		80,000	
Interest received		10,789		13,793	
Net cash generated from investing activities			35,788		87,156
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(14,965)		3,935
Cash and cash equivalents at beginning of year			126,524		122,589
Cash and cash equivalents at end of year			111,559		126,524

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charity information

St Augustine's College of Theology is a private company limited by guarantee incorporated in England and Wales. The registered office is 52 Swan Street, West Malling, Kent, ME19 6JX.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charitable company's Memorandum and Articles of Association, the Companies Act 2006 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)" (as amended for accounting periods commencing from 1 January 2016). The charitable company is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charitable company 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.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charitable company is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charitable company has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, 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 classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	100 years straight line
Leasehold improvements	33% straight line
Office equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Financial instruments

The charitable company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charitable company's balance sheet when the charitable company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Provisions

Provisions are recognised when the charitable company has a legal or constructive present obligation as a result of a past event, it is probable that the charitable company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in net income/(expenditure) in the period in which it arises.

1.10 Retirement benefits

The company participates in the defined benefits scheme section of the Church Workers Pension Fund (CWPF) for lay staff and the Church of England Funded Pensions Scheme (CEFPS) also known as the Clergy Pension scheme for Clergy and licensed lay workers. The schemes are administered by the Church of England Pensions Board which holds the assets of schemes separately from those of the Employer and other participating employers.

It is not possible to attribute the scheme's assets and liabilities to specific employers. The schemes are considered to be multi employer schemes as described in FRS 102 and as such contributions are accounted for as if the schemes were defined contribution schemes. The pension costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 AUGUST 2019*

2 Critical accounting estimates and judgements

In the application of the charitable company's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical accounting estimates and assumptions:

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgment:

No significant judgements have had to be made by management in preparing these financial statements, other than the recognition of a rent premium paid of £92,500. The rent premium is being released as a cost over 10 years, based on the intention of the charity to remain in the property for at least 10 years.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

3 Donations and legacies

	Unrestricted funds general 2019 £	Total 2018 £
Donations and gifts	23,837	8,780

4 Income from charitable activities

	2019 £	2018 £
Fee income	658,767	559,883

5 Investments

	Unrestricted funds general 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Investment income - other local investments	10,725	64	10,789	13,793
For the year ended 31 August 2018	13,751	42		13,793

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

6 Charitable activities

	2019 £	2018 £
Residential weekend conferences and Summer School	145,190	111,904
Staff salaries, including lecturing fees and other associated staff costs	320,439	300,239
National insurance	23,530	21,246
Pension cost	63,917	60,746
	<u>553,076</u>	<u>494,135</u>
Share of support costs (see note 7)	193,478	182,966
Share of governance costs (see note 7)	2,814	3,050
	<u>749,368</u>	<u>680,151</u>
Analysis by fund		
Unrestricted funds - general	749,368	678,151
Restricted funds	-	2,000
	<u>749,368</u>	<u>680,151</u>
For the year ended 31 August 2018		
Unrestricted funds - general	678,151	
Restricted funds	2,000	
	<u>680,151</u>	

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

7 Support costs

	Support costs £	Governance costs £	2019 £	2018 £
Depreciation	9,522	-	9,522	9,022
Academic travel and training	33,164	-	33,164	34,953
Books & journals	6,460	-	6,460	4,811
Office expenses	24,193	-	24,193	24,903
Administration costs	7,038	-	7,038	7,117
Rent of premises and utilities	82,374	-	82,374	82,567
Recruitment and relocation costs	524	-	524	289
Equipment costs	8,805	-	8,805	4,003
Publicity and marketing costs	15,985	-	15,985	10,940
Office relocation costs	378	-	378	168
Legal and professional charges	5,035	-	5,035	4,193
Audit fees	-	2,814	2,814	3,050
	<u>193,478</u>	<u>2,814</u>	<u>196,292</u>	<u>186,016</u>
Analysed between				
Charitable activities	<u>193,478</u>	<u>2,814</u>	<u>196,292</u>	<u>186,016</u>

Governance costs includes payments to the auditors of £2,814 (2018 - £3,050) for audit fees.

8 Trustees

Trustees remuneration and expenses

The staff costs, in note 10, includes emoluments, employers' national insurance contributions and employers' pension contributions for 1 Trustee (2018 - 1 member); the Rev'd Dr A Gregory £51,682 (2018 - £49,232). From time to time other Trustees are paid visiting lecturers fees, but the amounts are not significant.

Key management personnel compensation

The total paid to Key management personnel is £33,252 (2018 - £42,232)

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Staff	<u>15</u>	<u>11</u>

There were no employees whose annual remuneration was £60,000 or more.

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff costs

	2019 £	2018 £
Staff costs analysis		
Academic salaries and related costs	184,448	170,563
Administration salaries and related costs	84,043	80,469
Visiting lecturers' fees	30,435	26,963
Staff premises costs		22,244
Social security costs	23,530	21,246
Pension costs	63,917	60,746
Total	386,373	382,231

11 Tangible fixed assets

	Freehold land and buildings £	Leasehold improvements £	Office equipment £	Total £
Cost				
At 1 September 2018	283,993	15,948	28,615	328,556
At 31 August 2019	283,993	15,948	28,615	328,556
Depreciation and impairment				
At 1 September 2018	19,525	8,772	21,362	49,659
Depreciation charged in the year	-	5,263	4,259	9,522
At 31 August 2019	19,525	14,035	25,621	59,181
Carrying amount				
At 31 August 2019	264,468	1,913	2,994	269,375
At 31 August 2018	264,468	7,176	7,253	278,897

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

12 Fixed asset investments

	Unlisted investments £
Cost or valuation	
At 1 September 2018 & 31 August 2019	196,806
Impairment	
At 1 September 2018	-
Disposals	27,096
At 31 August 2019	27,096
Carrying amount	
At 31 August 2019	169,710
At 31 August 2018	196,806

	2019 £	2018 £
Investments at fair value comprise:		
Unlisted investments	169,710	196,806

13 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	3,773	2,965
Other debtors	78,625	78,625
Prepayments and accrued income	5,216	14,406
	87,614	95,996

14 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	168	266
Other creditors	345	345
Accruals and deferred income	48,975	50,770
	49,488	51,381

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

15	Provisions for liabilities	2019	2018
		£	£
	Sabbaticals	1,000	1,000
		<u> </u>	<u> </u>
	Movements on provisions:		
			Sabbaticals
			£
	At 1 September 2018 and 31 August 2019		1,000
			<u> </u>

The academic staff of the company are entitled to grants for sabbatical leave following four years of teaching for the Institute for up to a maximum of £1,000.

ST AUGUSTINE'S COLLEGE OF THEOLOGY
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		Movement in funds		Movement in funds		Balance at
	Incoming resources	Resources expended	Transfers	Balance at 1 September 2018	Revaluations, gains and losses	Balance at 31 August 2019	£
	£	£	£	£	£	£	£
Robinson Lambert Fund	42	-	47	13,029	64	13,093	
Oswald Chambers Publications Association Grant	-	(2,000)	-	-	-	-	
	42	(2,000)	47	13,029	64	13,093	

Robinson Lambert Fund

The Robinson Lambert fund was set up to help fund lay people study Theology. Independent students can ask for help to cover the cost of tutor fees and books from this fund.

17 Unrestricted funds

These are unrestricted funds which are material to the charitable company's activities made up as follows:

	Movement in funds				Movement in funds				Balance at 31 August 2019 £	
	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Transfers £	Revaluations, gains and losses £	Balance at 1 September 2018 £	Incoming resources £	Resources expended £		Revaluations, gains and losses £
General Funds - all funds	722,224	582,415	(678,153)	(47)	6,375	632,813	693,329	(749,368)	(2,097)	574,677

ST AUGUSTINE'S COLLEGE OF THEOLOGY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 August 2019 are represented by:				
Tangible assets	269,375	-	269,375	278,897
Investments	169,710	-	169,710	196,806
Current assets/(liabilities)	136,592	13,093	149,685	171,139
Provisions	(1,000)	-	(1,000)	(1,000)
	<u>574,677</u>	<u>13,093</u>	<u>587,770</u>	<u>645,842</u>

19 Operating lease commitments

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

	2019 £	2018 £
Within one year	30,000	38,000
Between two and five years	60,000	60,000
In over five years	135,000	165,000
	<u>225,000</u>	<u>263,000</u>

20 Cash generated from operations

	2019 £	2018 £
Deficit for the year	(58,072)	(91,320)
Adjustments for:		
Investment income recognised in statement of financial activities	(10,789)	(13,793)
Loss on disposal of investments	2,097	-
Fair value gains and losses on investments	-	(6,375)
Depreciation and impairment of tangible fixed assets	9,522	9,022
Movements in working capital:		
Decrease in debtors	8,382	40,662
(Decrease) in creditors	(1,893)	(19,411)
(Decrease)/increase in provisions	-	(2,006)
Cash absorbed by operations	<u>(50,753)</u>	<u>(83,221)</u>