

REGISTERED NUMBER - 04258802

**EASTERN REGION MINISTRY COURSE**  
(a company limited by guarantee)

**ACCOUNTS**

**For the year ended 31 August 2020**

**EASTERN REGION MINISTRY COURSE  
(a company limited by guarantee)**

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**EASTERN REGION MINISTRY COURSE**

**TRUSTEES AND DIRECTORS**

Rt. Revd Richard William Bryant Atkinson OBE (Chair)  
Revd William Douglas Fitzgerald Gulliford  
Ms Susan Elizabeth Pope  
Revd Stephen Michael Benoy  
Revd David Brereton Foster  
Revd Nicholas Ian Moir  
Revd Dr Alexander Soenderup Jensen  
Professor Joyce Margaret Hill  
Revd Timothy Llewellyn Jones  
The Venerable Alexander James Hughes  
Revd Dr Quentin David Chandler (resigned 27/03/2020)  
The Venerable Karen Elizabeth Hutchinson (appointed 27/03/2020)  
The Reverend Jane Hilary Le Sève (appointed 27/03/2020)

**COMPANY SECRETARY**

Revd Dr Alexander Soenderup Jensen

**PRINCIPAL OFFICE**

1a the Bounds  
Westminster College  
Lady Margaret Road  
Cambridge  
CB3 0BJ

**BANKERS**

Barclays Bank PLC  
28 Chesterton Road  
Cambridge  
CB4 3AZ

**AUDITORS**

Chater Allan LLP  
Beech House  
4a Newmarket Road  
Cambridge  
CB5 8DT

**REGISTERED NUMBER**

04258802

**CHARITY NUMBER**

1090989

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Trustees and Directors Report**

The Trustees and Directors of the Council are pleased to present their annual report for the year ended 31st August 2020 under the Charities Act 2011, together with the audited accounts for the year and confirm that the latter comply with the requirements of the Act, the memorandum and articles of association and the Charities SORP 2019.

**Reference and Administrative Information**

The charity is registered with the Charity Commission under charity number 1090989 and is a company limited by guarantee, number 04258802. The registered office is 1a The Bounds, Westminster College, Lady Margaret Road, Cambridge, CB3 0BJ. Particulars of the Charity's Trustees, Council members and professional advisers are listed on Page 1.

**Structure, Governance and Management**

The Charity is a Limited Company and its Directors are members of the Governing Council.

Members of the Board are appointed according to the Articles of Association and must not exceed twenty or reduce to less than two. The Governing Council, which meets termly, receives reports on the progress of the Course from the Principal, Senior Students and on financial matters from the Finance and General Purposes Committee.

The Finance and General Purposes Committee acts as a general purposes and executive committee with the power to act on all day-to-day matters with particular responsibility for the oversight of the ERMC's financial affairs in accordance with legislative requirements, regulations and guidelines.

The Governing Council is responsible for the submission of the annual financial statements and ensuring the Course maintains proper accounting records. The Finance and General Purposes Committee oversees these on a regular basis and reports to the Council. The Council is also responsible for safeguarding the assets of the Course and thereby taking reasonable steps to ensure the prevention and detection of fraud and irregularities.

The Council holds an annual away day, at which it reviews and develops strategy and priorities for the following year.

Most Council Members are nominated by stakeholders in accordance with the Articles of Association; these are then elected by the Council. The Council has reviewed the categories of membership and adapted them to reflect ERMC's current needs. The Council also has co-opted members, who bring expertise needed to the Council. These are identified and approached by the Chair and Principal, and then, after consultation and scrutiny proposed to the Council and elected.

We provide an induction pack and, if required, an induction session for new trustees.

**Risk Management**

The Governing Council is responsible for the management of the risks faced by the Course. Risks are identified, assessed and control established throughout the year.

A formal review of the charity's risk management processes is undertaken on an annual basis.

The Council is satisfied that the major risks identified have been adequately managed where necessary. It is recognised that control systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Objectives and Activities**

The Charity's Objectives are to advance the Christian religion through the provision of theological education and ministerial training to recognised candidates for ordained ministry in the Church of England, the Methodist Church, the United Reformed Church and in other mainstream Christian Churches and, where appropriate, for the preparation of suitable candidates for lay ministry.

The Course trains men and women for the ministry of the Churches of a region which includes the Anglican Dioceses of Ely, St Edmundsbury and Ipswich, Norwich, Peterborough, St Albans and Chelmsford. The Course also serves the Anglican Diocese in Europe.

**Achievements and Performance**

The year started smoothly with good new student numbers. We were working on the implementation of our strategic plan and the recommendations of the Periodic External Review report. This all changed with the outbreak of the Covid 19 pandemic. We were still able to hold the March residential weekend but had to move all teaching online straight after that. Given our experience of online teaching this move was easy and caused minimum disruption. As the lockdown extended into spring and summer, we had to cancel the residential weekends and replace them with online study weekends. This, too, went without major disruption. The absence of face-to-face teaching obviously posed a strain on the community and individuals, but institutionally we coped with this very well.

We continued to develop the Foundations (access) course with the Diocese of St Albans. The Diocese of Ely joined this partnership later in the year. The course was ready for launch in September 2020 with far more students enrolled than expected.

We have completed and implemented the curriculum review. We have established new pioneer pathways for ordained and lay ministers. We do not expect a large enrolment when they are launched but to grow over the years.

**Financial Review**

The Course continues to be funded by fees received from the Church of England. In the 2019/20 financial year we received the full fees for our students but had significantly reduced costs as a result of the cancellation of two residential weekends and the summer school. As a result, the Council reports a surplus of £123,267 after the actuarial gain of £27,000 on the defined benefit schemes. We were pleased that student numbers have remained stable at the higher level. For the following year student numbers are again at a healthy level. The Finance and General Purposes Committee continues to review expenditure so the ERMC will be sustainable in the long term.

**Reserves Policy**

The Council operates a reserves policy which states that the Trustees are satisfied that ERMC can operate with the equivalent of two months' worth of expenditure as a reserve. However, over the longer term, it is desirable to hold three months, provided that there is no detrimental effect on the running of the course.

At the year end, the level of reserves was equivalent to 5 months expenditure. Whilst the Trustees will apply some of the reserves to enhance existing work, because of the uncertainties resulting from the Covid 19 pandemic and the economic consequences, the Trustees intend to keep a higher level of reserves until there is greater certainty again.

The Trustees note that the total unrestricted free reserves at the year-end were £229,008. Total reserves at 31st August 2020 are £233,230.

**EASTERN REGION MINISTRY COURSE  
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**Public benefit**

The Trustees have reviewed the activities of the past year in line with Charity Commission guidelines on public interest benefit. The aims and objectives of ERMIC are within those guidelines interpreted by ERMIC as providing specific benefit to those being trained for authorised church ministry and through them to the Anglican parishes and Methodist Circuits and wider communities in the region which we serve.

**Plans for the future**

The Church of England has embarked on a comprehensive review of the structures and financing of ministerial formation. The Principal is member of the review working group. It will be important to engage with the process at the management and governance level.

The Council approved the creation of the new position of Tutor in Mission and Evangelism, to start in January 2021.

In August 2020 ERMIC began conversation with the Diocese in Europe about the possibility of providing the academic content for their Reader training. In Autumn these came to fruition and ERMIC will provide Reader training for the Diocese in Europe from 2021/22.

**Responsibilities of the Board of Trustees**

Under company law, the directors are required to prepare financial statements for each financial year which give a true and fair view of the state of the Company and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements the Board is responsible for

- keeping accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.
- the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charity's auditors are unaware, and each trustee has taken steps that he or she ought to have taken as trustee in order to make himself or herself aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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

Rt. Revd Richard William Bryant Atkinson OBE (Chair)

DocuSigned by:

*Rt. Revd Richard William Bryant Atkinson OBE*

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Signed on behalf of the Council  
Date: 26 March 2021

## **EASTERN REGION MINISTRY COURSE REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MEMBERS**

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We have audited the financial statements of Eastern Region Ministry Course for the year ended 31 August 2020 which comprise Statement of Financial Activities, Balance Sheet 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

In our opinion the financial statements:

- give a true and fair view of the state of the Course's affairs as at 31 August 2020 and of the Course's surplus for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- 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 Council Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 directors 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, 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 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.

**EASTERN REGION MINISTRY COURSE  
REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MEMBERS (CONTINUED)**

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**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 for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Council Members' report.

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

- adequate accounting records have not been kept, or returns adequate for 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Council Members were not entitled to prepare the financial statements in accordance with the small companies' regime when not eligible and to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the Council Members' Report.

**Responsibilities of the Council Members**

As explained more fully in the trustees' responsibilities statement, the trustees 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 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 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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.



**EASTERN REGION MINISTRY COURSE  
REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF MEMBERS (CONTINUED)**

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**Use of report**

This report is made solely to the trustees, 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 company's trustees 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Stuart Graham Berriman (Senior Statutory Auditor)  
for and on behalf of Chater Allan LLP,  
Chartered Accountants & Statutory Auditor,  
Beech House  
4a Newmarket Road  
Cambridge

Date: 30 March 2021

**EASTERN REGION MINISTRY COURSE  
STATEMENT OF FINANCIAL ACTIVITIES (Incorporating the income and expenditure account)  
FOR THE YEAR ENDED 31 AUGUST 2020**

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2020<br>£ | Total Funds<br>2019<br>£ |
|---|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>   |      |                            |                          |                          |                          |
| Donations   |      | 2,430                      | -                        | 2,430                    | 2,460                    |
| Charitable activities:                                      |      |                            |                          |                          |                          |
| - Theological education and ministerial training            |      | 446,448                    | -                        | 446,448                  | 442,165                  |
| - Other   |      | 7,002                      | -                        | 7,002                    | 7,547                    |
| Investments   |      | 395                        | -                        | 395                      | 512                      |
| <b>Total</b>  |      | <u>456,275</u>             | <u>-</u>                 | <u>456,275</u>           | <u>452,684</u>           |
| <b>Expenditure</b>  |      |                            |                          |                          |                          |
| Charitable activities                                       | 2    | 360,008                    | -                        | 360,008                  | 410,868                  |
| <b>Total</b>  |      | <u>360,008</u>             | <u>-</u>                 | <u>360,008</u>           | <u>410,868</u>           |
| <b>Net income/(expenditure)</b>                             |      | 96,267                     | -                        | 96,267                   | 41,816                   |
| Transfer between funds                                      |      | -                          | -                        | -                        | -                        |
| <b>Other recognised gains/(losses)</b>                      |      |                            |                          |                          |                          |
| Actuarial (losses)/gains on defined benefit pension schemes | 12   | 27,000                     | -                        | 27,000                   | (23,000)                 |
| <b>Net movement in funds</b>                                |      | <u>123,267</u>             | <u>-</u>                 | <u>123,267</u>           | <u>18,816</u>            |
| <b>Reconciliation of funds:</b>                             |      |                            |                          |                          |                          |
| Total funds brought forward                                 |      | 109,633                    | 330                      | 109,963                  | 91,147                   |
| <b>Total funds carried forward as restated</b>              | 11   | <u>232,900</u>             | <u>330</u>               | <u>233,230</u>           | <u>109,963</u>           |

None of the Course's activities were acquired or discontinued during the above two financial years.

**EASTERN REGION MINISTRY COURSE  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 AUGUST 2020**

REGISTERED NUMBER - 04258802

|   | Note | 2020           |                       | 2019           |                       |
|---|------|----------------|-----------------------|----------------|-----------------------|
|   |      | £              | £                     | £              | £                     |
| <b>FIXED ASSETS</b>                                 |      |                |                       |                |                       |
| Tangible Assets                                     | 5    |                | 3,892                 |                | 5,170                 |
| <b>CURRENT ASSETS</b>                               |      |                |                       |                |                       |
| Debtors   | 6    | 46,986         |                       | 28,584         |                       |
| CBF Deposit Account                                 |      | 162            |                       | 161            |                       |
| Cash at Bank  |      | 243,165        |                       | 182,618        |                       |
| Petty Cash  |      | -              |                       | 9              |                       |
| <b>TOTAL CURRENT ASSETS</b>                         |      | <u>290,313</u> |                       | <u>211,372</u> |                       |
| <b>CURRENT LIABILITIES</b>                          |      |                |                       |                |                       |
| Creditors   | 7    | <u>48,975</u>  |                       | <u>72,579</u>  |                       |
|   |      | 48,975         |                       | 72,579         |                       |
| <b>NET CURRENT ASSETS</b>                           |      |                | <u>241,338</u>        |                | <u>138,793</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>        |      |                | 245,230               |                | 143,963               |
| <b>DEFINED BENEFIT PENSION<br/>SCHEME LIABILITY</b> | 8    |                | (12,000)              |                | (34,000)              |
| <b>NET ASSETS</b>                                   |      |                | <u><u>233,230</u></u> |                | <u><u>109,963</u></u> |
| <b>THE FUNDS OF THE CHARITY:</b>                    |      |                |                       |                |                       |
| Unrestricted Fund:                                  |      |                |                       |                |                       |
| General Fund  |      |                | 232,900               |                | 109,633               |
| Restricted Fund                                     | 10   |                | 330                   |                | 330                   |
| <b>TOTAL CHARITY FUNDS</b>                          |      |                | <u><u>233,230</u></u> |                | <u><u>109,963</u></u> |

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

Approved by the Council on  
and signed by: 26 March 2021

DocuSigned by:

*Rt. Revd Richard William Bryant Atkinson OBE*

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Rt. Revd Richard William Bryant Atkinson OBE (Chair)

DocuSigned by:

*Alexander Jensen*

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Revd Dr Alexander Soenderup Jensen

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1) GENERAL INFORMATION**

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is 1a The Bounds, Westminster College, Lady Margaret Road, Cambridge, CB3 0BJ.

A separate income and expenditure summary has not been produced as it is not considered necessary to do so.

ERMC meets the definition of a public benefit entity under FRS 102.

The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to a maximum of £10 per member of the company.

**STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the 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) (Charities SORP (FRS 102)) and the Charities Act 2011.

**ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Financial reporting standard 102 - reduced disclosure exemptions**

The charity has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

- the requirements of Section 7 Statement of Cash Flows.

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably. Interest is fully accrued at the balance sheet date.

**Expenditure**

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. Grants and donations payable are accounted for when a legal or constructive obligation arises. A constructive obligation arises where the other party has a reasonable expectation of receipt.

**Depreciation of Fixed Assets**

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

|                                  |                  |
|----------------------------------|------------------|
| Furniture                        | 10 years on cost |
| Equipment                        | 5 years on cost  |
| Computers and computer equipment | 3 years on cost  |
| Library                          | 15 years on cost |

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1) ACCOUNTING POLICIES (continued)**

**Pension Costs**

The company operates two defined benefits pension schemes. Contributions payable to these schemes are charged to the Income and Expenditure account so as to spread the cost of the pension over the employees' expected working life. The pension charge is calculated on the basis of actuarial advice. These contributions are invested separately from the course's assets. Under Section 28 of FRS 102 provision is made for agreed deficit recovery payments.

**Going Concern**

The Trustees have a reasonable expectation that the charitable company has adequate resources to continue in operational existence for the foreseeable future. The Trustees have considered the potential impact on the charitable company of the current global pandemic known as COVID-19. In the opinion of the Trustees there will be no material adverse effect on the charitable company's ability to continue. The Trustees believe the charitable company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

**Judgements and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Fund accounting**

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

**Financial instruments:**

**Debtors**

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

**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 trade discounts due.

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**2) CHARITABLE ACTIVITY EXPENDITURE**

**Theological education and ministerial training**

**Direct costs:**

|  | <b>2020</b>    | <b>2019</b>    |
|--|----------------|----------------|
|  | <b>£</b>       | <b>£</b>       |
| Tutorial staff                             | 135,386        | 130,072        |
| Staff travel, training and book allowances | 8,464          | 7,552          |
| Tutors' fees and expenses                  | 25,185         | 24,538         |
| Centre teacher expenses                    | 9,963          | 15,575         |
| Other academic costs                       | 24,169         | 22,755         |
| Tutorial support staff                     | 60,986         | 57,886         |
| Recruitment & meals costs                  | 1,501          | 3,526          |
| Insurance                                  | 1,488          | 1,416          |
| Other direct premises costs                | 17,844         | 17,625         |
| Residential weekends and summer            | 37,065         | 90,448         |
| Staff housing costs                        | 12,995         | 12,411         |
| Depreciation charge                        | 1,899          | 2,110          |
| Grants payable                             | -              | 500            |
| Bad debts                                  | 30             | 522            |
| Pension provision interest cost            | -              | -              |
|  | <u>336,974</u> | <u>386,936</u> |

**Support costs:**

|                                       |               |               |
|---------------------------------------|---------------|---------------|
| Service charges                       | 2,533         | 3,055         |
| Printing, stationery and photocopying | 4,678         | 3,608         |
| Postage and telephone                 | 315           | 561           |
| Branding and web design               | 887           | 580           |
| IT costs                              | 228           | 1,992         |
| Gas & Electricity                     | 478           | 586           |
| Governance- Audit fees                | 2,323         | 1,954         |
| Council expenses                      | 105           | 133           |
| Professional fees                     | 9,273         | 10,584        |
| Other support costs                   | 2,216         | 880           |
|                                       | <u>23,034</u> | <u>23,933</u> |

**Total costs**

360,008      410,868

**3) ANALYSIS OF STAFF COSTS AND REMUNERATION TO KEY PERSONNEL**

|                       | <b>2020</b>    | <b>2019</b>    |
|-----------------------|----------------|----------------|
|                       | <b>£</b>       | <b>£</b>       |
| Wages and salaries    | 142,908        | 136,828        |
| Social security costs | 12,019         | 7,993          |
| Pension costs         | 28,443         | 25,261         |
| Staff book allowances | 1,301          | 942            |
|                       | <u>184,672</u> | <u>171,024</u> |

The average number of persons employed by the Course during the year was: -

|                        | <b>2020</b> | <b>2019</b> |
|------------------------|-------------|-------------|
| Academic staff         | 4           | 4           |
| Tutorial support staff | 2           | 3           |
|                        | <u>6</u>    | <u>7</u>    |

There were no employees paid in excess of £60,000 in the year.

£105 was paid to one trustee for council expenses.

During the year one trustee Revd Dr Jensen received £44,787 in his capacity as Principal.

**Key management personnel**

During the year remuneration received by key management personnel totalled £53,787.

**EASTERN REGION MINISTRY COURSE  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**4) NET INCOME/(EXPENDITURE)**

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Net income/ (expenditure) is stated after charging: |               |               |
| Depreciation of tangible fixed assets               | 1,899         | 2,111         |
| Auditors' remuneration                              | 2,323         | 1,954         |
| Pension costs                                       | 28,443        | 25,261        |
|   | <u>28,443</u> | <u>25,261</u> |

**5) FIXED ASSETS**

| <b>Cost</b>            | <b>Computer<br/>Equipment<br/>£</b> | <b>Office<br/>Equipment<br/>&amp; Furniture<br/>£</b> | <b>Library<br/>£</b> | <b>Total<br/>£</b> |
|------------------------|-------------------------------------|---|----------------------|--------------------|
| At 1 September 2019    | 6,712                               | 7,760   | 20,216               | 34,688             |
| Additions              | 620                                 | -   | -                    | 620                |
| Disposals              | -                                   | -   | -                    | -                  |
| At 31 August 2020      | <u>7,333</u>                        | <u>7,760</u>  | <u>20,216</u>        | <u>35,309</u>      |
| <b>Depreciation</b>    |                                     |   |                      |                    |
| At 1 September 2019    | 4,427                               | 4,875   | 20,216               | 29,518             |
| Charge for Year        | 1,487                               | 412   | -                    | 1,899              |
| Eliminated on disposal | -                                   | -   | -                    | -                  |
| At 31 August 2020      | <u>5,914</u>                        | <u>5,287</u>  | <u>20,216</u>        | <u>31,418</u>      |
| <b>Net Book Value:</b> |                                     |   |                      |                    |
| At 31 August 2020      | <u>1,419</u>                        | <u>2,473</u>  | <u>-</u>             | <u>3,892</u>       |
| At 31 August 2019      | <u>2,285</u>                        | <u>2,885</u>  | <u>-</u>             | <u>5,170</u>       |

All assets are used for charitable purposes.

**6) DEBTORS**

|                                | <b>2020</b>   | <b>2019</b>   |
|--------------------------------|---------------|---------------|
|                                | <b>£</b>      | <b>£</b>      |
| Fees outstanding               | 35,057        | 3,115         |
| Prepayments and accrued income | 11,930        | 24,610        |
| Other debtors                  | -             | 859           |
|                                | <u>46,986</u> | <u>28,584</u> |

**7) CREDITORS**

|                                     | <b>2020</b>   | <b>2019</b>   |
|-------------------------------------|---------------|---------------|
|                                     | <b>£</b>      | <b>£</b>      |
| Trade creditors                     | 17,411        | 34,524        |
| Accruals and deferred income        | 18,538        | 21,937        |
| Other creditors                     | 5,025         | 3,118         |
| Pension deficit reduction provision | 8,000         | 13,000        |
|                                     | <u>48,975</u> | <u>72,579</u> |

**8) PENSION PROVISIONS**

|   | <b>2020</b>   | <b>2019</b>   |
|---|---------------|---------------|
|   | <b>£</b>      | <b>£</b>      |
| Balance as at 1st September                     | 47,000        | 24,000        |
| Deficit contributions (paid)/incurred           | (8,000)       | (7,000)       |
| Interest cost                                   | 2,000         | -             |
| Remaining change to the balance sheet liability | (21,000)      | 30,000        |
| Balance as at 31 August                         | <u>20,000</u> | <u>47,000</u> |
| Due in less than one year                       | 8,000         | 13,000        |
| Due in more than one year                       | <u>12,000</u> | <u>34,000</u> |

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**8) PENSION PROVISIONS (continued)**

The charity has entered into a deficit recovery plan in respect of the Church of England Funded Pension Scheme, see note 12. The pension provisions are based on the pension scheme's year end of 31 December ended in the charity's accounting year.

The charity has entered into a deficit recovery plan in respect of the Church Workers Pension Fund, see note 12. The pension provisions are based on the pension scheme's year end of 31 December ended in the charity's accounting year.

**9) OPERATING LEASE COMMITMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

|                            | <b>Office Equipment</b> |                |
|----------------------------|-------------------------|----------------|
|                            | <b>2020</b>             | <b>2019</b>    |
|                            | <b>£</b>                | <b>£</b>       |
| Expiring:                  |                         |                |
| In less than one year      | 14,642                  | 15,369         |
| Between one and five years | 57,600                  | 57,842         |
| Greater than five years    | 258,958                 | 272,388        |
|                            | <u>331,200</u>          | <u>345,599</u> |

Lease payment rentals recognised as an expense for the year amounted to £15,368.

**10) RESTRICTED FUND**

|                                 | <b>Liturgy<br/>Binders<br/>Fund</b> | <b>Total</b> |
|---------------------------------|-------------------------------------|--------------|
|                                 | <b>£</b>                            | <b>£</b>     |
| Balance as at 1 September 2019  | 330                                 | 330          |
| Incoming resources              | -                                   | -            |
|                                 | <u>330</u>                          | <u>330</u>   |
| Less outgoing resources         | -                                   | -            |
| Transfer from Unrestricted Fund | -                                   | -            |
|                                 | <u>330</u>                          | <u>330</u>   |
| Balance as at 31 August 2020    | <u>330</u>                          | <u>330</u>   |

The Restricted Fund was set up in 2003 with a donation of £330 to purchase liturgy binders.

**11) ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                            | <b>Tangible<br/>Fixed Assets</b> | <b>Net Current<br/>Assets</b> | <b>Pension<br/>Provisions</b> | <b>Total</b>   |
|----------------------------|----------------------------------|-------------------------------|-------------------------------|----------------|
|                            | <b>£</b>                         | <b>£</b>                      | <b>£</b>                      | <b>£</b>       |
| Restricted Funds           | -                                | 330                           | -                             | 330            |
| <b>Unrestricted Funds:</b> |                                  |                               |                               |                |
| General Fund               | 3,892                            | 241,008                       | (12,000)                      | 232,900        |
|                            | <u>3,892</u>                     | <u>241,338</u>                | <u>(12,000)</u>               | <u>233,230</u> |

**12) PENSION SCHEMES**

**a) Church Workers Pension Fund**

Eastern Region Ministry Course participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the 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.



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**12) PENSION SCHEMES (continued)**

**Defined Benefits Scheme**

The Defined Benefits Scheme ("DBS") section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

The scheme is a multi-employer scheme as described in Section 28 of FRS 102. It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. This means that contributions are accounted for as if DBS were a defined contribution scheme. The pension costs charged to the SoFA in the year are contributions are payable towards benefits and expenses accrued in that year, 2020: £3,656 (2019: £3,656), plus the figures in relation to the DBS deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £2,656 for 2020 (2019: £11,656).

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years. The most recently finalised was carried out as at 31 December 2016. In this valuation, the Life Risk Section was shown to be in deficit by £2.6m and £2.6m was notionally transferred from the employers' sub-pools to the Life Risk Section. This increased the Employer contributions that would otherwise have been payable. The overall deficit in DBS was £26.2m.

A valuation as at 31 December 2019 was under way as at 31 December 2020. The contributions agreed at that valuation will be reflected in the figures disclosed in the 2021 accounts.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £1,600 per year. In addition deficit payments of £2,056 per year have been agreed for 5 years from 1 April 2018 in respect of the shortfall in the Employer sub-pool. This obligation has been recognised as a liability within the Employer's financial statements.

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

|  | 2020         | 2019         |
|--|--------------|--------------|
| Balance sheet liability at 1 January                                 | 8,000        | -            |
| Deficit contribution paid  | (2,000)      | (2,000)      |
| Interest cost (recognised in SoFA)                                   | -            | -            |
| Remaining change to the balance sheet liability*(recognised in SoFA) | 1,000        | 10,000       |
| Balance sheet liability at 31 December                               | <u>7,000</u> | <u>8,000</u> |

\* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends.

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**12) PENSION SCHEMES (continued)**

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:

|               | Dec-20 | Dec-19 | Dec-18 |
|---------------|--------|--------|--------|
| Discount rate | 0.30%  | 1.20%  | 1.90%  |

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

**Pension Builder Scheme**

Eastern Region Ministry Course participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes 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.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and 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 Pension 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 members' Normal Pension Age.

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

The Scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because 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. The pension costs charged to the SoFA in the year are contributions payable, 2020: £8,225 (2019: £6,882).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019.

For the Pension Builder Classic section, the valuation revealed a surplus of £5.5m 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, Eastern Region Ministry Course could become responsible for paying a share of that employer's pension liabilities.

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**12) PENSION SCHEMES (continued)**

**b) Clergy Pension Fund**

Eastern Region Ministry Course participates in the Church of England Funded Pensions Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which hold the assets of the schemes separately from those of the Responsible Bodies.

|  | December<br>2020 | December<br>2019 |
|--|------------------|------------------|
| Number of members at this Responsible Body | 2                | 2                |

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 specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, 2020: £19,391 (2019: £19,008), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £6,609 in 2020 (2019: (£34,008)).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out 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 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 future 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 contribution rates (as a percentage of pensionable stipends) were set out in the table below.

|                              | January 2018<br>to December<br>2020 | January 2021<br>to December<br>2022 |
|------------------------------|-------------------------------------|-------------------------------------|
| % of pensionable stipends    | 2020                                | 2022                                |
| Deficit repair contributions | 11.9%                               | 11.9%                               |

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

As at 31 December 2019 and 31 December 2020 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.

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**12) PENSION SCHEMES (continued)**

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out below:

|  | 2020          | 2019          |
|--|---------------|---------------|
| Balance sheet liability at 1 January                                     | 39,000        | 24,000        |
| Deficit contributions paid   | (6,000)       | (5,000)       |
| Interest cost (recognised in SoFA)                                       | 1,000         | -             |
| Remaining change to the balance sheet liability*<br>(recognised in SoFA) | (21,000)      | 20,000        |
| Balance sheet liability at 31 December                                   | <u>13,000</u> | <u>39,000</u> |

\* Comprises change in agreed deficit recovery plan and change in discount rate between year-ends

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

|                                       | December<br>2020 | December<br>2019 | December<br>2018 | December<br>2017 |
|---------------------------------------|------------------|------------------|------------------|------------------|
| Discount rate                         | 0.2%             | 1.1%             | 2.1%             | 1.4%             |
| Price inflation                       | 3.1%             | 2.8%             | 3.1%             | 3.0%             |
| Increase to total pensionable payroll | 1.6%             | 1.3%             | 1.6%             | 1.5%             |

The legal structure of the scheme is such that if another Responsible Body fails, Eastern Region Ministry Course could become responsible for paying a share of that Responsible Body's pension liabilities

The pension provisions are based on the pension scheme's year end of 31 December ended in the charity's accounting year.

The valuations for the accounting year ending 31st August are as follows:

**Church Workers Pension Fund (CWPF)**

|  | 2019         | 2018         |
|--|--------------|--------------|
| Balance sheet liability at 1 January                                 | 8,000        | -            |
| Deficit contribution paid  | (2,000)      | (2,000)      |
| Interest cost (recognised in SoFA)                                   | -            | -            |
| Remaining change to the balance sheet liability*(recognised in SoFA) | 1,000        | 10,000       |
| Balance sheet liability at 31 December                               | <u>7,000</u> | <u>8,000</u> |

**Church of England Funded Pension Scheme (CEFPS)**

|  | 2019          | 2018          |
|--|---------------|---------------|
| Balance sheet liability at 1 January                                 | 39,000        | 24,000        |
| Deficit contribution paid  | (6,000)       | (5,000)       |
| Interest cost (recognised in SoFA)                                   | 1,000         | -             |
| Remaining change to the balance sheet liability*(recognised in SoFA) | (21,000)      | 20,000        |
| Balance sheet liability at 31 December                               | <u>13,000</u> | <u>39,000</u> |

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**13) STATEMENT OF FINANCIAL ACTIVITIES DETAIL FOR YEAR ENDED 31st AUGUST 2019**

|   | <b>General<br/>Fund<br/>£</b> | <b>Restricted<br/>Fund<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|---|-------------------------------|----------------------------------|-----------------------------|
| <b>Income from:</b>   |                               |                                  |                             |
| Donations   | 2,460                         |                                  | 2,460                       |
| Charitable activities:                                      |                               |                                  |                             |
| - Theological education and ministerial training            | 442,165                       |                                  | 442,165                     |
| - Other   | 7,547                         |                                  | 7,547                       |
| Investments   | 512                           |                                  | 512                         |
| <b>Total</b>  | <u>452,684</u>                | <u>-</u>                         | <u>452,684</u>              |
| <b>Expenditure</b>  |                               |                                  | -                           |
| Charitable activities                                       | 410,868                       |                                  | 410,868                     |
| <b>Total</b>  | <u>410,868</u>                | <u>-</u>                         | <u>410,868</u>              |
| <b>Net (expenditure)/income</b>                             | 41,816                        | -                                | 41,816                      |
| Transfer between funds                                      | -                             | -                                | -                           |
| <b>Other recognised gains/(losses)</b>                      |                               |                                  |                             |
| Actuarial gains/(losses) on defined benefit pension schemes | (23,000)                      | -                                | (23,000)                    |
| <b>Net movement in funds</b>                                | <u>18,816</u>                 | <u>-</u>                         | <u>18,816</u>               |
| <b>Reconciliation of funds:</b>                             |                               |                                  |                             |
| Total funds brought forward                                 | <u>90,817</u>                 | <u>330</u>                       | <u>91,147</u>               |
| <b>Total funds carried forward as restated</b>              | <u>109,633</u>                | <u>330</u>                       | <u>109,963</u>              |

**14) RELATED PARTY TRANSACTIONS**

There were no related party transactions except as noted in note 3.