

REGISTERED NUMBER: 03070559 (England and Wales)
REGISTERED CHARITY NUMBER: 1056606

**Report of the Trustees and Financial Statements for the Year Ended
31 August 2018
for
South West Ministry Training Course**

Haines Watts Exeter LLP
3 Southernhay West
Exeter
Devon
EX1 1JG

**South West Ministry Training Course
Contents of the Financial Statements
For the Year Ended 31 August 2018**

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**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2018**

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2018. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in January 2015.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
03070559 (England and Wales)

Registered Charity number
1056606

Registered office
Riverside Centre
13-14 Okehampton Street
Exeter
Devon
EX4 1DU

Trustees

The Rt. Revd. Christopher Goldsmith (Chair)	
The Revd. Canon Alan Bashforth	Resigned on 12 July 2018
The Revd. Hilary Dawson	
The Revd. Canon Graham Thompson	
The Rt. Revd. Robert Atwell	
The Rt. Revd. Nicholas McKinnel	
Dr. Jonathan Rowe	Resigned on 29 March 2018
The Revd Philip Sourbut	
The Ven Dr. Mark Butchers	

Company Secretary
Dr. Jonathan Rowe

Auditors
Haines Watts Exeter LLP
3 Southernhay West
Exeter
Devon
EX1 1JG

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Organisational structure

The principle activity of the charitable company since its incorporation on 20 June 1995 has been the provision of theological education and training for Christian ministries in the South West, candidates being presented by the participating churches. The company also provides open-access theological education, and supports research. The company is a registered charity (number 1056606.)

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2018**

The company is incorporated as limited by guarantee under the Companies Act. In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the company and the costs, charges and expenses of winding up.

The directors who are also the trustees for the purpose of charity law are referred to as trustees throughout the report. There were seven directors at the end of the year.

New trustees are provided with a full induction to the charitable company and training is provided where required.

The trustees are empowered to manage the strategic business of the charity, to exercise all the powers of the charity and to appoint a Principal, to be responsible for the everyday operations of the charity and to serve as company secretary.

The trustees have established finance and staffing committees to advise the board.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The opportunities and uncertainties created by developments in regional patterns of training are continuously monitored by the company through its contacts with church leaders.

The trustees and members of the Board have implemented a risk review procedure in order to be aware of the levels of risks and their impact on operations. This involves identifying the type of risks the company faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks. The principle risk identified concerned lack of control over student numbers. The procedure is managed and kept under review by the Finance Committee.

OBJECTIVES AND ACTIVITIES

Objectives and aims

We aim to recruit 15 ordination students, 12 Reader trainees and 20 post-licensing students each year which provides financial stability within present staff resources. These levels of recruitment are outside our control and we have to adopt a flexible strategy in order to react to the changing patterns of recruitment and selection by the churches.

We offer theological education to members of the public and numbers of these students are steady. We are seeking to market these modules more actively.

Our relationships with the Anglican dioceses of the South West are developing and deepening.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2018**

Public benefit

The trustees have concluded that the Charity has met the Public Benefit requirements because:-

1. the benefit that arises from the Charity's aims are that:

(a) the Charity is able to advance the Christian religion by the promotion of theological education, training and research.

(b) the Charity is able to contribute to the advancement and promotion of the Christian religion.

2. the Charity's aims intend to benefit the public generally.

3. there are no restrictions on who can have the opportunity to benefit (bursaries are available); and

4. nobody receives any private benefit from the Charity.

The trustees have complied with the duty in the Charities Act 2011. They have had due regard to the guidance published by the Charity Commission in the Public Benefit Statement.

ACHIEVEMENT AND PERFORMANCE

Charitable activities

The income of the company is derived mainly from fees charged to sponsoring churches for tuition provided to ordination candidates and others engaged in ministerial training. During the year there were 22 registered ordination students, 12 Reader trainees and 56 curates in training.

Very significant movement has been forged in our relationship with the dioceses and districts in forming new ways of working with regional co-operation and development.

Income for the year totalled £415,414 (2017 - £372,878). Expenditure for the year totalled £380,901 (2017 - £476,937).

FINANCIAL REVIEW

Reserves policy

Any surplus of income over expenditure is retained to enable the company to pursue its objectives. Reserves are held for the following purposes:

- To cover unexpected shortfalls in income arising from lower student numbers compared to projections;
- To ensure that funds are available to meet the legal employment entitlements of charity staff;
- To enable the charity to meet emergency calls arising from property damage or equipment failures;
- To enable the charity to cover expenditure during the time that it would take to adjust to a major change resulting from external and irresistible forces.

The policy of the company is to hold in the general reserve sufficient funds to cover three months of normal working expenditure.

At the year end a total of £77,266 was held in reserves (2017 - £42,753). The level of reserves, excluding the long term pension liability is considered to be adequate.

Plans for future periods

The charity's objects for the future are to make a surplus in order that the charity's reserves can be augmented and maintained in accordance with the reserves policy.

Investment policy and objectives

It is the policy of the company to maximise investment income while minimising risk and to ensure that all investments are strictly ethical.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2018**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of South West Ministry Training Course for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

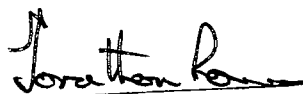
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts Exeter LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 09/01/19 and signed on its behalf by:



Dr Jonathan Rowe - Secretary

**South West Ministry Training Course
Statement of Financial Activities
For the Year Ended 31 August 2018**

Opinion

We have audited the financial statements of South West Ministry Training Course for the year ended 31 August 2018 on pages eight to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standard. (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 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This report is made solely to the charitable company's trustees, as a body, in accordance with Section 144 of the Charities Act 2011 and regulations made under Section 154 of that Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 academy'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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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.

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2018**

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
- the charitable company has not kept adequate accounting records; or
- the financial statements are not in agreement with the accounting records and returns; 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 set out on page four, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity'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 academy or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 1443 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Benjamin de Cruz BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Exeter LLP, Statutory Auditors
3 Southernhay West
Exeter
Devon
EX1 1JG
Date: 10 APRIL 2019

**South West Ministry Training Course
Report of the Trustees
For the Year Ended 31 August 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Investment income	2	936		936	2,413
Incoming resources from charitable activities					
	3	412,485	1,993	414,478	370,465
		<u>413,421</u>	<u>1,993</u>	<u>415,414</u>	<u>372,878</u>
RESOURCES EXPENDED					
Charitable activities	4	374,451	(6,104)	368,347	465,451
Governance costs	5	12,554	-	12,554	11,486
		<u>387,005</u>	<u>(6,104)</u>	<u>380,901</u>	<u>476,937</u>
NET INCOMING/(OUTGOING) RESOURCES					
		26,416	8,097	34,513	(104,059)
Other recognised gains/(losses)					
Gains on investment assets		-	-	-	-
Actuarial gains/(losses) on defined benefit schemes		-	-	-	14,000
		<u>26,416</u>	<u>8,097</u>	<u>34,513</u>	<u>(90,059)</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		103,842	(61,089)	42,753	132,812
TOTAL FUNDS CARRIED FORWARD		<u>130,258</u>	<u>(52,992)</u>	<u>77,266</u>	<u>42,753</u>
OTHER COMPREHENSIVE INCOME					
Net incoming/(outgoing) resources for the year		26,416	8,097	34,513	(104,059)
Other comprehensive incoming/(outgoing) resources		-	-	-	-
Total comprehensive net incoming/(outgoing) resources		<u>26,416</u>	<u>8,097</u>	<u>34,513</u>	<u>(104,059)</u>

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

All incoming resources and resources expended derive from continuing activities.

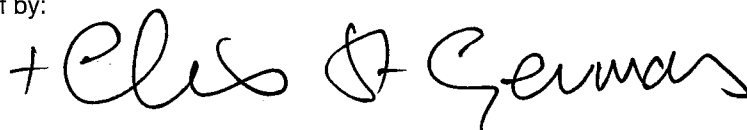
**South West Ministry Training Course
Balance Sheet
As at 31 August 2018**

	Notes	Unrestricted Funds £	Restricted Funds £	2018 Total Funds £	2017 Total Funds £
FIXED ASSETS					
Tangible assets	9	804	-	804	1,164
Investments		-	-	-	-
		<u>804</u>	<u>-</u>	<u>804</u>	<u>1,164</u>
CURRENT ASSETS					
Debtors	10	3,710	-	3,710	58,428
Cash at bank and in hand		170,449	3,008	173,457	89,120
		<u>174,159</u>	<u>3,008</u>	<u>177,167</u>	<u>147,548</u>
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	11	(44,705)	-	(44,705)	(41,959)
NET CURRENT ASSETS		<u>129,454</u>	<u>3,008</u>	<u>132,462</u>	<u>105,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		130,258	3,008	133,266	106,753
PENSION LIABILITY	17	-	(56,000)	(56,000)	(64,000)
NET ASSETS		<u>130,258</u>	<u>(52,992)</u>	<u>77,266</u>	<u>42,753</u>
FUNDS					
	13				
Unrestricted funds				130,258	103,842
Restricted funds				3,008	2,911
Pension fund				(56,000)	(64,000)
TOTAL FUNDS				<u>77,266</u>	<u>42,753</u>

These financial statements have been audited under the requirements of Section 144 of the Charities Act 2011.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for FRS 102

The financial statements were approved by the Board of Trustees on 9th April 2019 and were signed on its behalf by:



The Rt. Revd. Christopher Goldsmith – Chair of Trustees

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of certain investments.

These financial statement are presented in Sterling (£) which is the functional currency of the company and rounded to the nearest £.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Tangible fixed assets

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

Office furniture	- straight line over 5 years
Computer equipment	- straight line over 3 years

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The charitable company participates in two defined contribution pension schemes. Full details of these schemes are provided in Note 17.

Library

No monetary value is attributed to the library and all expenditure is written off to the income and expenditure account.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

2. INVESTMENT INCOME

	2018 £	2017 £
Deposit account interest	166	1,093
Other interest	770	1,320
	<u>936</u>	<u>2,413</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
Anglican student fees	157,188	114,115
Miscellaneous income	2,253	1,224
Diocese of Exeter service contracts	255,037	255,126
	<u>414,478</u>	<u>370,465</u>

4. CHARITABLE ACTIVITIES COSTS

	2018 £	2017 £
Academic costs	22,104	21,719
Employment costs	212,921	289,980
Establishment costs	30,962	44,262
Encountering Theology	23,899	28,068
Exploring Christianity	614	1,295
IME 1 - 3	55,011	57,102
IME 4 - 7	9,090	11,038
Reader training	13,746	11,987
	<u>368,347</u>	<u>465,451</u>

5. GOVERNANCE COSTS

	2018 £	2017 £
Trustees' expenses	345	993
Auditors' remuneration	2,400	1,850
Accountancy fees	6,126	5,605
Professional fees	3,683	3,038
	<u>12,554</u>	<u>11,486</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

6. NET INCOMING/OUTGOING RESOURCES

Net resources are stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	868	891
(Surplus)/deficit on disposal of fixed asset	184	(14)
Auditors Remuneration	2,400	1,850
	<u>2,400</u>	<u>1,850</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2018 nor for the year ended 31 August 2017.

	2018	2017
	£	£
Trustees' expenses	345	993
	<u>345</u>	<u>993</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

8. STAFF COSTS

	2018 £	2017 £
Wages and salaries	167,259	233,344
Social security costs	10,031	13,540
Other pension costs	35,631	43,096
	<u>212,921</u>	<u>289,980</u>

Severance pay (included in above total staff costs)	-	19,736
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The average monthly number of employees during the year was as follows:

	2018 £	2017 £
Staff	8	10
	<u>8</u>	<u>10</u>

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

9. Tangible Fixed Assets

	Office furniture £	Computer equipment £	Total £
Cost			
At 1 September 2017	2,991	25,676	28,667
Additions	-	692	692
Disposals	-	(7,084)	(7,084)
At 31 August 2018	<u>2,991</u>	<u>19,284</u>	<u>22,275</u>
Depreciation			
At 1 September 2017	2,611	24,892	27,503
Charge for the year	83	785	868
Eliminated on disposal	-	(6,900)	(6,900)
At 31 August 2018	<u>2,694</u>	<u>18,777</u>	<u>21,471</u>
Net Book Value			
At 31 August 2018	<u>297</u>	<u>507</u>	<u>804</u>
At 31 August 2017	<u>380</u>	<u>784</u>	<u>1,164</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	1,420	3,600
Other debtors	2,290	54,828
	<u>3,710</u>	<u>58,428</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Bank loans and overdrafts	-	-
Trade creditors	96	14
Taxation and social security	3,283	4,370
Other creditors	41,326	37,575
	<u>44,705</u>	<u>41,959</u>

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted fund £	Restricted fund £	2018 Total funds £	2017 Total funds £
Fixed assets	804	-	804	1,164
Current assets	174,159	3,008	177,167	147,548
Current liabilities	(44,705)	-	(44,705)	(41,959)
Pension liability	-	(56,000)	(56,000)	(64,000)
	<u>130,258</u>	<u>(52,992)</u>	<u>77,266</u>	<u>42,753</u>

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

13. MOVEMENT IN FUNDS

	At 01.09.2017 £	Net movement in funds £	At 31.08.2018 £
Unrestricted funds			
General and designated funds	103,842	26,416	130,258
Restricted funds			
Restricted fund	2,911	97	3,008
Pension fund	(64,000)	8,000	(56,000)
TOTAL FUNDS	<u>42,753</u>	<u>34,513</u>	<u>77,266</u>

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Movement in funds £
Unrestricted funds				
General and designated funds	413,421	(387,005)	-	26,416
Restricted funds				
Restricted fund	1,993	(1,896)	-	97
Pension fund	-	8,000	-	8,000
	<u>415,414</u>	<u>(380,901)</u>	<u>-</u>	<u>34,513</u>

14. FINANCIAL COMMITMENTS

At 31 August 2018 the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £17,851 (2017 - £31,543).

15. RELATED PARTY DISCLOSURES

The trustees have completed Declaration of Interest forms and have considered whether there have been any transactions with related parties that should be disclosed. They have concluded that there have been no such transactions.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

16. MEMBERS' LIABILITY

In the event of winding up, every member of the Board is liable to contribute a sum not exceeding £10 towards the debts and liabilities of the company and the cost, charges and expenses of winding up.

**17. PENSION AND OTHER POST-RETIREMENT BENEFITS
Church Workers Pension Fund (CWPF)**

South West Ministry Training Course (SWMTC) (PB Classic) participates in the Pension Builder Scheme section of the 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.

Pension Builder Scheme

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 Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 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 section 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 pensions costs charged to the SoFA in the year are contributions payable (2018: £13,831, 2017: £17,684).

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 2016. This revealed, on the ongoing assumptions used, a deficit of £14.2m. Employers have not been asked to make up any shortfall in PB Classic in the past and the Pensions Board expects to be able to continue this practice.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits.

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

Church of England Funded Pension Fund (CEFPS)

South West Ministry Training Course participates in the Church of England Funded Pension Scheme for stipendiary clergy. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating employer 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 FRS102. 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 pension costs charged to the SoFA in the year are contributions payable towards benefit and expenses accrued in that year plus any impact of deficit contributions (see below).

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 2015. The 2015 valuation revealed a deficit of £236m, based on assets of £1,308m and a funding target of £1,544m, assessed using the following assumptions:

- An investment strategy of :
 - for investments backing liabilities for pensions in payment, an allocation to gilts of 33% from the valuation date until 31 December 2019 and thereafter increasing linearly to 70% by 31 December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% p.a. on gilts and 4.6% p.a. on return-seeking assets;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with the CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31 December 2015 valuation, a recovery plan was put in place until 31 December 2025 and the deficit repair contributions payable (as a percentage of pensionable stipends) are set out in the table below. Contributions since 2015 are shown for reference.

% of pensionable stipends	January 2015 to December 2018	January 2018 to December 2025
Deficit repair contributions	14.10%	11.90%

**South West Ministry Training Course
Notes to the Financial Statements
For the Year Ended 31 August 2018**

Church of England Funded Pension Fund (CEPS)

As at December 2015, the deficit repair contributions payable under the recovery plan in force were 14.1% of pensionable stipends until December 2025. As at December 2016 and December 2017 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

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

Section 28.11A of FRS102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the provision is set out in the table below.

	2018	2017
Balance sheet liability at 31 August	64,000	86,000
Deficit contribution paid	(9,000)	(9,000)
Interest cost (recognised in SoFA)	1,000	1,000
Remaining change to the balance sheet liability* (recognised in SoFA)	-	(14,000)
Balance sheet liability at 31 August	56,000	64,000

*Comprises change in agreed deficit recovery plan and change in discount rate and assumptions 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 2017	December 2015	December 2014
Discount rate	1.4% pa	1.5% pa	2.5% pa
Price inflation	3.0% pa	3.1% pa	2.4% pa
Increase to total pensionable payroll	1.56% pa	1.6% pa	0.9% pa

The legal structure of the scheme is such that if another Responsible Body fails, South West Ministerial Training Course could become responsible for paying a share of that Responsible Body's pension liabilities.

