



St Mellitus College Trust

Annual Report & Financial Statements

Year Ended 31 July 2018

Charity number: 1094157

Company number: 4546328



St Mellitus College Trust

(A company limited by guarantee)

Contents

Report of the Trustees	1
Audit Report	11
Statement of Financial Activities	14
Balance Sheet	15
Cash Flow Statement	16
Notes forming part of the financial statements	17

St Mellitus College Trust

(A company limited by guarantee)

Report of the Trustees for the year ended 31st July 2018

The Trustees are pleased to present their annual report together with the financial statements of the charity for the year ended 31st July 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015).

PURPOSES AND ACTIVITIES

The purposes of the charity as defined in the Memorandum of Association are:

- preparing for public ministry candidates selected by the Church of England and by other members of Churches Together in England,
- providing other theological and ministerial training and Christian education, and
- engaging with others in such theological and ministerial training and Christian education.

The overall vision of the charity is to resource the mission of the whole church through providing training in theology and mission. In particular, it aims to train ministers of religion and others so as to equip them to lead, encourage and support the development of Christian communities throughout the UK. This in turn benefits wider society through the church's involvement in communities with, for example, youth work and urban regeneration projects.

We seek to achieve this vision by resourcing the mission of the church through theological learning and wisdom. We are committed to the 'faith once handed on to the saints', wanting to hold this in a generous, enquiring and open way that is responsive to a changing world. We believe that we should engage with theology in the context of ...

- **Worship** – theology is a spiritual not just an intellectual discipline, and so needs to be pursued in the context of a growing life of prayer and worship.
- **Unity** – we aim to provide space for all the mainstream traditions of the church, gathered around the presence of Christ in Word and Sacrament and held together by an expectation of the presence of the Holy Spirit.
- **Mission** – we want all our students to study their theology whilst they are engaged in active mission. We are committed to the task of preparing Christians theologically and spiritually for the growth of the church in mission.

The activity of the charity in achieving this vision is to run a suite of Higher Education and other courses. This is done jointly with St Paul's Theological Centre which works closely together with the charity to offer courses and training under the banner of St Mellitus College ("the College").

- Historically the main activity of the charity has been the operation of the part time ordination training course ("the Course"), which is recognised by the Church of England to serve the Dioceses of London and Chelmsford, but the needs of individual students vary so the geographical boundaries are not rigidly applied. The operation of this Course constitutes the activity which is accounted for in the General Fund of the charity. Other activities are accounted for in separate Designated Funds.
- In addition the charity operates the Full Time courses delivered at Liverpool Cathedral and, from September 2017, in Plymouth and also an entry level course under the title of 'Beginning Theology'.

In seeking to achieve this vision in the longer term the charity continues to be open to opportunities for further development. As will be seen in the Future Plans section of this report, at the invitation of the Bishops of Southwell and Nottingham and Leicester we are expecting to open a new Nottingham delivery centre for the College in September 2019.

In seeking to measure success the charity primarily looks to the recruitment levels for its programmes. As recruitment is mostly driven by word of mouth recommendations from existing students the ongoing increase in student recruitment indicates that we continue to succeed in achieving our objectives.

We also have extensive student feedback processes and from the academic year 2016/17 have been participating in the National Student Survey. We are subject to regular scrutiny by the Quality Assurance Agency for Higher Education who also indicate positively about the quality of our programmes.

Public Benefit

The trustees have a statutory duty under the Charities Act 2011 (s 17) to have regard to the guidance issued from time to time by the Charity Commission. The trustees have read the guidance Charities and Public Benefit and the supplementary guidance in The Advancement of Religion for the Public Benefit and have had regard to it in making relevant decisions. The trustees have also read Analysis of the Law underpinning "the Advancement of Religion for the Public Benefit" published by the Charity Commission.

The trustees believe that this report taken as a whole provides evidence of the public benefit of the charity's work.

The principal public benefits of the charity (for the narrow purposes of secular charity law) are the advancement of the Christian religion by training ministers of religion and others who lead, encourage and support members of the various and diverse communities throughout the dioceses of London, Chelmsford, Blackburn, Carlisle, Chester, Liverpool, Manchester, Truro and Exeter and also further afield by and in -

- the provision of public rituals and ceremonies
- the cure of souls and the moral and spiritual improvement of the public
- the provision of comfort to the bereaved
- contributing towards a better society, by promoting social cohesion and social capital, for example by supporting matrimony

Fundraising

The trustees are committed to maintaining the highest legal and ethical standards in the way that the charity undertakes its fundraising activities. All fundraising takes place in-house and the charity does not use any professional fundraisers. The charity is committed to abiding by the Code of Fundraising Practice and to the Fundraising Promise. The charity has not received any complaints with regard to its fundraising practice during the period under review.

Volunteers

The charity makes use of a number of volunteers to help with various parts of its operation including visiting lecturers, chaplains and refreshment servers. The most significant contribution is made by our volunteer librarian.

ACHIEVEMENTS AND PERFORMANCE

The Course is run on a part-time basis usually over three years for Anglican candidates, to study towards graduation and ordination. The students are required to attend for classes one evening a week during term time together with a number of residential weekends and one residential week during each academic year. The Course continues to be successful in recruiting good numbers of ordinands and independent students.

The Course was taught throughout the year at two centres on weekday evenings and at separate residential locations for the residential week and weekends. Ordinands from St Paul's Theological Centre and the Liverpool and Plymouth centres joined us for the residential parts of the course.

Our delivery centre at Liverpool Cathedral, covering the five north-west dioceses of Blackburn, Carlisle, Chester, Liverpool and Manchester, which opened in September 2013 has now developed into a mature stage and in this fifth year of operation had a total of 75 students.

In September 2017, at the request of the Bishops of Exeter and Truro, we opened our new delivery centre in Plymouth. In this first year of operation we had nine ordinands in training and four independent students on accredited courses.

St Paul's Theological Centre (SPTC), our partner constituent member, has a lease on the former church of St Jude, Courtfield Gardens in Earls Court which it operates as the London base for the College. During the year SPTC has had to spend via an associated charity some £1.2m on repairs to the stonework of the church spire which was found to be in a dangerous state. This has been covered partly from SPTC reserves, partly from the reserves of the PCC of the parish of Holy Trinity Brompton and partly by a loan from the Diocese of London which needs to be repaid. The charity has succeeded in raising grants and gifts towards the repayment of this loan as shown in the Restricted Fund note No 12 which have been passed over to SPTC.

In all this year, including SPTC students, the College had 257 ordinands in training and delivered accredited courses to more than 220 other students.

At the end of the academic year, in June 2018, 127 students graduated with undergraduate awards validated by one or other of our two partner universities with seven being first class awards. In addition, 25 students graduated with postgraduate awards with two of these being awarded distinctions.

The 'Beginning Theology' course continues to thrive. In the Summer Term of 2018 there were 46 students enrolled. This course is intended as a route into higher education for those with limited previous educational experience. Since establishing this course in 2009 a significant number of former students have gone on to study at a higher level with some now having been ordained as Church of England ministers. In the Summer Term of 2018 one module of this course was trialled at the Liverpool centre.

Most of our academic programmes are validated by Durham University as part of the Church of England's Common Awards programme and this has become an established relationship. Some other awards, notably the Youth Ministry programme and some postgraduate provision continue to be validated by Middlesex University. In September 2017 the college added a Biblical Studies option to the MA in Theology, Ministry and Mission validated by Durham University

In addition to the formal academic programmes, the College is increasingly being used as a theological resource throughout the regions that it serves. For example, the Diocese of London is involving the College in its Continuing Ministerial Education programme. We have also established an Alumni Association in order that we can maintain contact with former students and that we can continue to resource them theologically as they utilise their learning in the wider church.

The College also hosts a series of high level theological lectures which are open to the public. This year these have again been generously resourced financially by the McDonald Agape Foundation. This foundation has also made further generous gifts enabling the college to appoint the former Archbishop of Canterbury, the Most Reverend Rowan Williams, to the post of Professor of Christian Theology and also to commence a research project under the direction of our President, the Right Reverend Graham Tomlin, into the concept of 'Generous Orthodoxy' which is a key component of the college's values.

Following on from last year's successful fundraising trip to various sites in Germany connected with Martin Luther, the college arranged a fundraising trip to the Holy Land this year which produced net income of £17,840.

In terms of reviewing performance against agreed objectives, the charity has maintained and developed successful delivery of full time and part time ordination training to an increased number of students. This is to the benefit of the Church of England in its drive to increase priestly vocations. The charity has also theologically trained an increased number of lay people which should facilitate a contribution towards a better society in a range of social settings.

Student numbers in the reporting period have exceeded target expectations in what remains part of the continued growth phase of the charity. Recruitment onto our Youth Ministry programme continues to be a challenge. However the curriculum and content of this programme has been revised this year and we are hoping that this will lead to an increase in student numbers over the next few years.

This is the second year the we have participated in the National Student Survey (NSS). In the results of the survey of our 2018 leavers, we achieved an 'Overall Student Satisfaction' score of 95.96%, compared with a UK average of 83.48% and our score from last year of 87.04%. Amongst our most numerous single group of students (full time BA students) we achieved an 'Overall Student Satisfaction' score of 100%. Our strong performance was replicated across the whole survey, with overall performance improving from last year on 31 questions, or combined question groups, and decreasing on 4 questions (out of 35 in total). We beat the UK average on 31 questions, or comined question groups, and came in lower than average on 4 questions (again out of the 35 total).

In November 2017 the Quality Assurance Agency for Higher Education (QAA) conducted a Higher Education (Alternative Providers) Review. This report concluded that the college 'meets UK expectations in three areas of examination and in the area of the quality of information about learning oportunities the college was 'commended'. The full report can be examined online at www.qaa.ac.uk/docs/qaa/reports/st-mellitus-college-trust-her-ap-17.pdf

In addition we were commended on the following areas of 'good practice' -

- The comprehensive arrangements for personal, academic and professional support provided to students through the Formation Group system, which is integral to the College's ethos.
- The tiered approach to the provision of study skills, which supports effective student transition and development.
- The comprehensive and systematic use made of the virtual learning environment to ensure highly effective College-wide access to institutional information.

Also in November 2017 the college was subject to a Periodic External Review ("PER") performed jointly by the Ministry Division of the Church of England and the Common Awards Team of Durham University. In summary this concluded as follows -

- The reviewers found a community of learning that was buoyant and largely happy. The ethos of 'generous orthodoxy' was apparent in all our visits and encounters. Staff and students – many evangelical and/or charismatic in tradition but including a wide spectrum of Christian backgrounds – were deeply loyal to the college, positive about their learning experience and upbeat about ministry and mission in the Church of England.
- Our judgement in the end has been to have 'Confidence with Qualifications', though the 'qualifications' are there mainly because of the number of recommendations – and they are there mainly because the college's size and rapid growth makes that almost inevitable.
- The number of commendations also points to a range of strengths and good practices that are embedded in the college and which can rightly be celebrated.

Other positive indicators continue to be the fact that our drop out rates are lower than average for our sector and also that ordinands completing our programmes continue to find training posts to move into which are appropriate to the training that they have received whilst with us.

Assessing the impact of the charity's work can only be done by reference to the success of churches which are run by church leaders who have been trained by the charity. For both theological and practical reasons this is challenging to benchmark, however we are hopeful that we may be able to develop an approach working with our alumni which may make it possible to undertake benchmarking in the future.

Ongoing and future performance of the charity is not only dependent on continuing to provide a high quality programme of academic awards but also on external factors which affect the number of students that we are able to recruit. These factors include the continued availability of student finance and especially the capability of the Church of England to recruit and fund future ordinands. Resulting from the fact that nearly fifty percent of current serving clergy are due to retire in the period 2015 to 2025, the national church has decided to increase target ordinand numbers by fifty percent over the next few years. This is however dependent on sufficient people putting themselves forward for this vocation.

FINANCIAL REVIEW

As reported last year, the charity is now obliged to apply the Financial Reporting Standard (FRS 102). The most significant consequence of this is the requirement for the charity to take onto its Balance Sheet its liability to contribute to the deficit recovery plan of the Church of England's Clergy Pension Scheme. As at 31st July 2018 this figure was £123,920 (31 July 2017: £175,457) and the available reserves are reduced by this amount. Excluding this liability, the total funds of the charity are £262,865.

The General Fund showed a surplus for the year of £20,089 (2017: £16,175). This figure does not include pension deficit recovery contribution costs of £12,807 or the gain on the pension deficit liability. Together with a gain on the pension deficit liability reserve of £31,135, mainly resulting from fewer members of the clergy pension scheme at the year end, the reserves on the General Fund at 31st July 2018 amounted to £130,107.

The Designated Fund for the operation of the Liverpool centre showed a surplus for the year of £8,612 (2017: £15,689 loss). This means that the balance on this fund at 31st July 2018 is £16,098. It is our intention to continue to create surpluses on this fund to accumulate the necessary reserves related to this operation.

As noted in the Achievements and Performance section above, this was the first year of operation of the new Plymouth centre. The Designated Fund for this centre showed a loss of £23,057 which when added to the net preparatory costs from the previous year means that the cumulative deficit on this fund is £44,525 at 31st July 2018. This result benefited from donations totalling £22,827 and is consequently better than the original five year plan for this centre. Opening a new centre always results in significant negative cash flow in the early years, and this has been partly covered by loans totalling £45,000 at the year end from the Dioceses of Exeter and Truro. In the forthcoming year they will be making further loans up to a maximum of £60,000. In addition these two dioceses have provided guarantees of up to £60,000 for any outstanding cumulative deficits after five years of operation of the centre.

Details of movements on the other Designated and Restricted funds are shown in Note 12.

Pricing policy

Fees for Church of England ordinands are fixed for all approved theological education institutions by the Ministry Division of the church's Archbishops' Council. Independent student fees are fixed by reference to other institutions offering similar courses.

Principal Funding Source

The College's main source of funding is student fees which this year amounted to £2,590,640, of which £1,752,371 (68%) came from the Archbishops' Council of the Church of England for the training of Church of England ordinands (partly via dioceses).

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment which the trustees see fit, after obtaining advice from a financial expert. Funds which are surplus to immediate requirements are placed on deposit with the CBF Church of England Funds.

Reserves Policy

The trustees have considered the need to accumulate funds in reserves to be held in the event of future uncertainties. The trustees consider that the most appropriate level of free reserves to be held on an ongoing basis would be the equivalent of one term's expenditure. Based on current projections it is estimated that one term's expenditure would be in the region of £375,000 which compares with the current level of available reserves (before the Pension Deficit Liability) of £262,865. The trustees continue to address the need to further accumulate reserves.

The Financial Reporting Standard for charities (FRS 102) requires that charities have to provide for and disclose their share of any pension scheme deficit of which they are a member. The charity is showing a deficit of £123,920 at 31st July 2018 (2017: £175,457). Additional contributions are being paid to the Church of England Funded Pension Scheme in order to reduce the deficit to zero by the 31st December 2025 as detailed in the Accounting Policies note. In accordance with Charity Commission guidance, the pension deficit liability is not included in the calculation of free reserves as the impact on the charity's cash flow is not immediate.

PLANS FOR FUTURE PERIODS

The charity plans to continue to provide a first class programme of training for future church ministers, both ordained and lay, and to develop opportunities for and the variety of such training.

In September 2018 our new Plymouth delivery centre will take in its second cohort of students. This will be a significant milestone on its path to becoming a fully functioning part of the college's life.

Following a request from the Bishops of Southwell and Nottingham and Leicester a decision has been made to open a new delivery centre in Nottingham in September 2019. This is so as to enable the provision of full time ordination training within their region.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Name:	St Mellitus College Trust
Charity registration number:	1094157
Company registration number:	4546328
Principal Address and Registered Office	24 Collingham Road London SW5 0LX
Website	www.stmellitus.ac.uk

Advisers

Auditors:	Kingston Smith LLP, Devonshire House, 60 Goswell Road, London EC1M 7AD
Solicitors:	Winkworth Sherwood, Minerva House, 5 Montague Close, London SE1 9BB
Bankers:	Barclays Bank PLC, 11 Bank Court, Hemel Hempstead, Hertfordshire HP1 1BX CAF Bank Ltd, 25 Kings Hill Avenue, Kings Hill, West Malling, Kent ME19 4QJ CBF Church of England Funds, Senator House, 85 Queen Victoria Street, London EC4V 4ET

Directors and trustees

The directors of the charitable company (the charity) are its trustees for the purposes of company law. The trustees and officers serving during the year and since the year end were as follows together with details of their nominations:

The Right Reverend and Right Honourable Dame S Mullally (Bishop of London) (Joint Chair)	- appointed 16th May 2018
The Right Reverend S Cottrell (Bishop of Chelmsford) (Joint Chair)	
The Right Reverend R Blackburn (resigned 24 January 18)	Bishops of London and Chelmsford jointly
The Right Reverend M Ashcroft (appointed 24th January 18)	Bishops of London and Chelmsford jointly
Mr J Ball	Bishop of Chelmsford
The Reverend Canon J Freeman	Bishop of Chelmsford
Mr J Jennings	St Paul's Theological Centre
Mrs R Stewart	St Paul's Theological Centre
The Reverend L Nsenga-Ngoy (resigned 17th September 17)	General Synod
The Reverend Dr B Sargent (appointed 24th January 2018)	General Synod
The Right Reverend Dr G Tomlin (President)	

Key management personnel

The Trustees delegate day-to-day management of the charity to the senior management consisting of the Dean (Reverend Dr Andrew Emerton) together with the Assistant Deans (Dr Jane Williams and Reverend Dr Lincoln Harvey) and also the Bursar (Reverend Neil Taylor).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The organisation is a charitable company limited by guarantee, incorporated under the name of North Thames Ministerial Training Partnership on the 26th September 2002 and registered as a charity on the 11th October 2002.

The company is established under a Memorandum of Association which sets out the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1 each.

The company changed its name by Special Resolution on 18th March 2008 to St Mellitus College Trust and adopted new Memorandum and Articles of Association on that date. On 25th January 2017 further new Memorandum and Articles of Association were adopted incorporating a minor changes to the nomination of the Dean.

Appointment of Trustees

The directors of the charitable company ("the charity") are its trustees for the purpose of charity law and throughout this report are collectively referred to as its trustees.

Under the Articles of Association adopted on the 25th January 2017 the Trustees consist of at least six but not more than eleven individuals nominated to serve as follows: The Bishop of Chelmsford, The Bishop of London, three trustees nominated by the Bishop of Chelmsford, one trustee nominated by the Bishop of London, two trustees nominated by the Trustees of St Paul's Theological Centre, one trustee nominated by the General Synod of the Church of England, one trustee nominated jointly by the Bishops of London and Chelmsford and the Dean for the time being of the College.

Mr J Jennings and Mr J Ball retire by rotation and are eligible for re-nomination.

Trustee Induction and Training

The Joint Chairs of the Trustees liaise with newly appointed trustees upon their appointment in order to devise a training and induction package appropriate to their skills and experience.

Organisational Structure

The board of trustees, who meet tri-annually, administers the charity. The trustees delegate the management of the day-to-day operations of the charity to an Executive Committee, the Dean of the College and the team of staff who are employed by the charity. Details of the senior management is shown in the Reference and Administrative Information section above.

The board of trustees define the strategic objectives for the charity and agree an annual budget together with a long term financial plan. The authority delegated to the senior management is to run the day-to-day operations of the charity within these objectives and budgets. Anything outside these requires the agreement of the Trustees according to defined procedures.

Pay and remuneration of senior staff

The Dean (who is remunerated by St Paul's Theological Centre) and one Assistant Dean as ordained clergy are remunerated according to the Archbishops' Council of the Church of England's published remuneration scale for ordained college staff (the "Lichfield Scale"). The other, non-ordained, Assistant Dean is remunerated by St Paul's Theological Centre.

Related Parties

All the Trustees represent other legal bodies within the wider church and thus these could be regarded as related parties. Further particulars are provided in Note 7 to the Financial Statements.

Risks and uncertainties

The trustees have conducted their own review of the major risks to which the charity is exposed and systems have been established to mitigate those risks. The external risks to funding are dependent on a viable number of students choosing the course for their training. The academic content of the course is considered carefully to ensure that all the requirements of the Church are fulfilled and in this way the Church is expected to continue utilising the course for their candidates. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charity. These procedures are documented in a risk register which is regularly updated and reviewed.

TRUSTEES RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires trustees to prepare financial statements for each financial year which give a true and fair view of the state of the 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 these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

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

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

Approved by the Trustees on 6th February 2019 and signed on their behalf.



Rt Rev S Cottrell
Joint Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MELLITUS COLLEGE TRUST

Opinion

We have audited the financial statements of St Mellitus College Trust ("the company") for the year ended 31 July 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence that 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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the trustees are aware at the time of approving this trustees' annual report:

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

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

Approved by the Trustees on 6th February 2019 and signed on their behalf.



Rt Rev S Cottrell
Joint Chair

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 it 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 aggregate, they could be reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

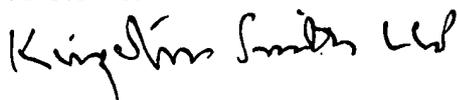
As part of an audit in accordance with ISAs (UK) we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Cross (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Date: 6 February 2019

Devonshire House
60 Goswell Road
London
EC1M 7AD

St Mellitus College Trust

Statement of Financial Activities including Income & Expenditure Account for the year ended 31 July 2018

		-- Unrestricted Funds --			Total Funds	Total Funds
		General	Designated	Restricted	2018	2017
		Fund	Funds	Fund		
			(Note 12)	(Note 12)		(Note 13)
	Note	£	£	£	£	£
INCOME	3					
Donations & Grants		38,680	22,827	206,078	267,585	84,652
Charitable Activity income		2,071,370	534,933	0	2,606,303	2,175,188
Investment income		546	58	0	604	652
Fund raising income		20,774	0	0	20,774	36,639
TOTAL INCOME		2,131,370	557,818	206,078	2,895,266	2,297,131
EXPENDITURE	4					
<i>Expenditure on charitable activities:</i>						
Operation of college courses		2,065,658	573,762	24,308	2,663,728	2,222,768
Fund raising costs		2,933	0	0	2,933	20,177
Grants made		42,690	0	158,801	201,491	24,125
TOTAL EXPENDITURE		2,111,281	573,762	183,109	2,868,152	2,267,070
NET OPERATING INCOME / (EXPENDITURE)		20,089	-15,944	22,969	27,114	30,061
Gain on Pension Deficit Liability		31,135	0	0	31,135	-51,365
NET INCOME / (EXPENDITURE) and net movement in funds for year	2	51,224	-15,944	22,969	58,249	-21,304
RECONCILIATION OF FUNDS						
Total funds brought forward	12	78,883	-3,418	5,231	80,696	102,000
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2018	12	130,107	-19,362	28,200	138,945	80,696

The statement of financial activities includes all gains and losses in the year. All income and expenditure derive from continuing activities.

St Mellitus College Trust

Balance Sheet as at 31 July 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	9	4,876	1,443
CURRENT ASSETS			
Stock		113	563
Debtors	7	90,518	90,799
Cash at bank and in hand		328,270	232,946
		<u>418,901</u>	<u>324,308</u>
CREDITORS: amounts falling due within one year	10	<u>-115,912</u>	<u>-69,598</u>
NET CURRENT ASSETS		302,989	254,710
CREDITORS: amounts falling due after more than one year			
- Long term loans	12	-45,000	0
NET ASSETS BEFORE PENSION DEFICIT LIABILITY		<u>262,865</u>	<u>256,153</u>
PENSION DEFICIT LIABILITY		<u>-123,920</u>	<u>-175,457</u>
TOTAL NET ASSETS		<u><u>138,945</u></u>	<u><u>80,696</u></u>
UNRESTRICTED FUNDS		234,665	250,922
RESTRICTED FUNDS		28,200	5,231
		<u>262,865</u>	<u>256,153</u>
PENSION DEFICIT LIABILITY RESERVE		<u>-123,920</u>	<u>-175,457</u>
TOTAL FUNDS		<u><u>138,945</u></u>	<u><u>80,696</u></u>

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small entities.

Approved by the Trustees on 6th February 2019 and signed on their behalf by:

+ 

Joint Chair: Rt Rev S Cottrell
Company No: 4546328

St Mellitus College Trust

Cash Flow Statement for the year ended 31 July 2018

	2018	2018	2017	2017
	£	£	£	£
Net cash inflow (outflow) from Operating Activities (Note A)		54,920		-1,221
Capital Expenditure				
Payments to acquire tangible fixed assets		-5,200		0
Returns on Investments and Servicing of Finance				
Interest received	604		652	
Net cash inflow from Returns on Investments and Servicing of Finance		604		652
Financing				
New loans		45,000		0
Increase (Decrease) in Cash (Note B)		95,324		-569

A) Reconciliation of Operating Surplus/(Deficit) to Net Cash Inflow from Operating Activities	2018	2017
	£	£
Operating surplus/(deficit)	58,249	-21,304
Interest received	-604	-652
Depreciation charges	1,767	951
(Increase)/ Decrease in debtors	281	-7,569
(Increase)/Decrease in stocks	450	344
Increase/(Decrease) in creditors	46,314	-866
Movement in Pension Deficit recovery accrual	-51,537	27,875
Net cash inflow/(outflow) from operating activities	54,920	-1,221

B) Reconciliation of Net Cash Flow to Movements in Net Cash	2018
	£
Increase in cash in the year representing change in net cash	95,324
Net cash at 1 August 2017	232,946
At 31 July 2018	328,270

C) Analysis of Changes in Net Funds	1 August	Non-cash	Cash	31 July
	2017	Changes	Flows	2018
	£	£	£	£
Cash at bank and in hand	232,946	0	95,324	328,270
Debt due after more than 1 year	0	0	-45,000	-45,000
Total Net Funds	232,946	0	50,324	283,270

St Mellitus College Trust

Notes forming part of the Financial Statements for the year ended 31 July 2018

1. ACCOUNTING POLICIES

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

(a) Incorporation

The charity is incorporated in England and Wales.

(b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1st January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS102) and the Companies Act 2006. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

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

(c) Preparation of the accounts on a going concern basis.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charity to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular, the trustees have considered the charity's forecasts and projections and have taken account of pressures on fee income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operation for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

(d) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

(e) Income recognition policies

Items of income are recognised and included in the accounts when all of the following criteria are met:

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

Course fees and other income received in advance are deferred until the criteria for income recognition are met.

(f) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as a cost against the cost heading for which the expenditure was incurred.

(g) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, which in all cases is estimated at 3 years. Assets are capitalised where the purchase price exceeds £500 and it is considered that the item will have a useful life of 3 years or more. Items of equipment where it is considered that the useful life will be less than 3 years are written off to expenditure in the year of acquisition.

(h) Stock

Stock is stated at the lower of cost and net realisable value.

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short term liquid investments with original maturities of three months or less.

(j) Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instruments of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, where there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

With the exception of amounts due to and from HM Revenue & Customs, prepayments and deferred income, all other debtor and creditor balances are considered to be basic financial instruments under FRS 102, see notes 9 and 10 for the debtor and creditor notes.

(k) Pensions

The Charity participates in two pension schemes –

Scottish Widows Workplace Pension Scheme

This is a defined contribution scheme for all staff not enrolled in the Church of England scheme (below). Employer contributions are accounted for in the year to which they relate.

Church of England Funded Pension Scheme

The Charity 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 scheme separately from those of the employer and other participating employers.

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 FRS 102. This means that 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 benefits 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 was carried out as at 31st 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 31st December 2019 and thereafter increasing linearly to 70% by 31st December 2030; and
 - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns equivalent to 2.6% pa on gilts and 4.6% pa on return-seeking assets;
- RPI inflation of 3.2% (and pension increases consistent with this);
- Increase in pensionable stipends 3.2% pa; and
- Mortality in accordance with 80% of the S2NMA and S2NFA tables, with allowance for improvements in mortality rates in line with CMI 2015 core projections with a long term annual rate of improvement of 1.5%.

Following the 31st December 2015 valuation, a recovery plan was put in place until 31st December 2025 and the deficit recovery contributions payable (as a percentage of pensionable stipends) are 14.1% for the period 1st January 2016 until 31st December 2017 and 11.9% for the period from 1st January 2018 until 31st December 2025.

As at 31st July 2015 the deficit recovery contributions payable under the recovery plan then in force were 14.1% of pensionable stipends until December 2025. As at 31st July 2016 and 31st July 2017 the deficit recovery contributions under the recovery plan then in force were as per the paragraph above.

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 in the table below.

	2018 £	2017 £
Balance sheet liability as at 1st August	175,457	147,582
Deficit contribution paid	-22,402	-27,490
Interest cost (recognised on SoFA)	2,000	4,000
Remaining change to the balance sheet liability * (recognised in SoFA)	-31,135	51,365
Balance sheet liability as at 31st July	123,920	175,457

* This comprises most significantly the decrease (2017: increase) in staff numbers participating in the scheme, the consequence of which is that the charity has a smaller (2017: larger) proportion of the overall deficit of the scheme to accrue for. Additional causes include changes in the agreed deficit recovery plan, change in the discount rate and assumptions between year ends. The 2017 deficit of £51,365 has now been shown in the comparative SoFA figures.

Information provided by the Church of England Pensions Board is based on a December year end and these rates have been used to calculate the liability as at the 31st July in each year. In the opinion of the Trustees the difference is unlikely to be material.

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 -

	2018	2017	2016
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	1.5% pa	1.6% pa	0.9% pa

The legal structure of the scheme is that if another employer were to fail then the charity could become responsible for paying a share of that employer's pension liabilities.

(m) Judgments and key sources of estimation uncertainty

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

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

The most significant estimates and assumptions which affect the carrying amount of assets and liabilities in the accounts relate to the pension deficit liability.

2. NET INCOME FOR THE YEAR

	2018	2017
	£	£
This is stated after charging:		
Auditor's remuneration (excluding VAT)		
- Audit - current year	5,850	4,650
- prior year under accrued	634	510
- other services *	1,500	750

* Other services relates to advice on conversion of accounts to FRS102

3. INCOME

	-- Unrestricted Funds --			Total Funds
	General Fund £	Designated Funds £	Restricted Fund £	2018 £
Income from donors				
Donations & Grants	31,704	22,827	205,655	260,186
Gift Aid recovered	6,976	0	423	7,399
	<u>38,680</u>	<u>22,827</u>	<u>206,078</u>	<u>267,585</u>
Income from charitable activities				
Course fees	2,025,707	534,933	0	2,560,640
Diocesan share of staff costs	33,663	0	0	33,663
Diocesan contributions	12,000	0	0	12,000
	<u>2,071,370</u>	<u>534,933</u>	<u>0</u>	<u>2,606,303</u>
Investment income				
Bank interest	546	58	0	604
Fundraising income	20,774	0	0	20,774
TOTAL INCOME	<u>2,131,370</u>	<u>557,818</u>	<u>206,078</u>	<u>2,895,266</u>

The comparative figures for the year ended 31st July 2017 were -

	-- Unrestricted Funds --			Total Funds
	General Fund	Designated Funds	Restricted Fund	2017
	£	£	£	£
<i>Income from donors</i>				
Donations	60,859	0	18,697	79,556
Gift Aid recovered	4,540	0	556	5,096
	<u>65,399</u>	<u>0</u>	<u>19,253</u>	<u>84,652</u>
<i>Income from charitable activities</i>				
Course fees	1,780,660	349,438	0	2,130,098
Diocesan share of staff costs	33,090	0	0	33,090
Diocesan contributions	12,000	0	0	12,000
	<u>1,825,750</u>	<u>349,438</u>	<u>0</u>	<u>2,175,188</u>
<i>Investment income</i>				
Bank interest	587	65	0	652
<i>Fundraising income</i>	36,639	0	0	36,639
TOTAL INCOME	<u>1,928,375</u>	<u>349,503</u>	<u>19,253</u>	<u>2,297,131</u>

4. EXPENDITURE

	Basis of Allocation	Total 2018 £	Total 2017 £
Costs of College Operations -			
Staff costs (see Note 6)	Staff Time	610,741	455,416
Academic travel and training	Direct	4,256	3,439
Fieldwork and placements	Direct	-385	463
Visiting Speakers' Fees and expenses	Direct	13,850	8,924
Library Books and supplies	Direct	9,798	9,399
Printing, Stationery and Photocopying	Direct	1,825	547
Postage and Telephone	Direct	1,398	443
Travel, Training and staff meals	Direct	48,743	30,821
Recruitment and Relocation costs	Direct	3,884	8475
Premises costs and rentals	Direct	75,137	70,449
Chapel	Direct	464	333
University fees	Direct	20,528	16,663
Residential costs	Direct	194,036	169,786
Other Catering costs	Direct	58,725	49,849
Equipment	Direct	2,873	246
Depreciation	Direct	1,767	951
Maintenance	Direct	2,411	0
Professional Charges	Direct	11,211	8,635
Bank Charges and Interest	Direct	1,017	875
Other administrative costs	Direct	66,514	45,087
Fee from SPTC for Educational Services	Direct	<u>1,532,934</u>	<u>1,337,967</u>
Total cost of College Operations		2,661,727	2,218,768
Fundraising costs		2,934	20,177
Grants made		201,492	24,125
Interest on Pension Deficit Recovery Plan		2,000	4,000
TOTAL EXPENDITURE		<u>2,868,152</u>	<u>2,267,070</u>

5. TAXATION

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

6. STAFF COSTS AND NUMBERS

	General Fund £	Designated Funds £	Restricted Funds £	2018 Total £
Salaries and wages - academic staff	147,079	98,873	0	245,952
Salaries and wages - administrative	121,810	42,123	0	163,933
Social security costs	26,827	11,436	0	38,263
Pension costs	31,049	27,718	0	58,767
Housing costs (incl. allowances)	38,537	20,770	0	59,307
Other grants and allowances	9,182	6,941	0	16,123
Salary contributions	-107,517	116,453	19,460	28,396
	<u>266,967</u>	<u>324,314</u>	<u>19,460</u>	<u>610,741</u>

The comparative figures for the year ended 31st July 2017 were -

	General Fund £	Designated Funds £	Restricted Funds £	2017 Total £
Salaries and wages - academic staff	135,221	80,094	10000	225,315
Salaries and wages - administrative	100,595	41,388	0	141,983
Social security costs	23,795	9,143	0	32,938
Pension costs	27,772	26,050	0	53,822
Housing costs (including allowances)	27,067	8,148	0	35,215
Other grants and allowances	10,972	6,297	0	17,269
Salary contributions	-114,307	55,932	7,249	-51,126
	<u>211,115</u>	<u>227,052</u>	<u>17,249</u>	<u>455,416</u>

No employee received emoluments of more than £60,000.

Key management personnel are remunerated in accordance with London diocesan paycales. Some of these costs are shared with St Paul's Theological Centre.

The average monthly head count was 21 staff (2017: 19) and the average monthly number of full time equivalent employees during the year was:

	2018 No	2017 No
Assistant Dean /Course Directors	2.6	2.2
Tutors	6.1	5.9
Administration and support	6.5	5.6
	<u>15.2</u>	<u>13.7</u>

No Trustee received any remuneration in their capacity as a trustee from the Charity.

Two Trustees had expenses totalling £123 reimbursed during the year (2017: ONE - £324).

7. RELATED PARTY TRANSACTIONS

As stated in the Trustees' Report all Trustees represent other legal bodies within the wider church and could thus be regarded as related parties. Financial transactions with these bodies were as follows -

The Archbishops' Council - funding received of £1,012,681 (2017: £1,419,490)
 The Archbishops' Council - accrued fees receivable of £38,030 (2017: £54,616)
 The Archbishops' Council - outstanding debtor £4,259 (2017: £10,856)
 London Diocesan Fund - funding received of £171,734 (2017: £36,645)
 London Diocesan Fund – outstanding debtor NIL (2017: NIL)
 Chelmsford Diocesan Board of Finance - funding received of £170,753 (2017: £58,879)
 Chelmsford Diocesan Board of Finance – outstanding creditor NIL (2017: NIL)
 St Paul's Theological Centre - recharge of expenses incurred on their behalf.
 St Paul's Theological Centre – donation towards costs at St Jude's - £29,365 (2017: £28,880)
 St Paul's Theological Centre – fee for educational services £1,562,934 (2017: £1,337,967)
 St Paul's Theological Centre – year end debtor £3,169 (2017: £10,343 creditor)

8. TANGIBLE FIXED ASSETS

	Office Furniture £	Computer Equipment £	Total £
Cost			
At 1st August 2017	7,521	8,338	15,859
Additions	1743	3457	5200
Disposals	0	-5586	-5586
At 31st July 2018	<u>9,264</u>	<u>6,209</u>	<u>15,473</u>
Accumulated Depreciation			
At 1st August 2017	6,078	8,338	14,416
Charge for the year	1438	329	1767
Disposals	0	-5586	-5586
At 31st July 2018	<u>7,516</u>	<u>3,081</u>	<u>10,597</u>
Net Book Value			
At 31st July 2018	1,748	3,128	4,876
At 31st July 2017	1,443	0	1,443

9. DEBTORS

	2018 £	2017 £
Other debtors and prepayments	90,518	90,799
	<u>90,518</u>	<u>90,799</u>

10. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Sundry creditors and accruals	115,912	69,598
	<u>115,912</u>	<u>69,598</u>

Included in the above are accruals of £10,312 relating to pensions (2017: £21,477).

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	2018 Total £
Fixed Assets	4,876	0	4,876
Current assets	389,675	28,200	417,875
Current liabilities	-114,886	0	-114,886
Long term loans	-45,000	0	-45,000
Pension Deficit Liability	-123,920	0	-123,920
Net assets at 31 July 2018	110,745	28,200	138,945

The comparative figures as at 31st July 2017 were -

<i>Fixed Assets</i>	<i>1,443</i>	<i>0</i>	<i>1,443</i>
<i>Current assets</i>	<i>319,077</i>	<i>5,231</i>	<i>324,308</i>
<i>Current liabilities</i>	<i>-69,598</i>	<i>0</i>	<i>-69,598</i>
<i>Pension Deficit Liability</i>	<i>-175,457</i>	<i>0</i>	<i>-175,457</i>
<i>Net assets at 31 July 2018</i>	<i>75,465</i>	<i>5,231</i>	<i>80,696</i>

12. FUND DETAILS

DESIGNATED FUNDS

The **Beginning Theology Fund** records the operations of the Beginning Theology course.

The **SMC North West Fund** records the operations of the campus at Liverpool Cathedral.

The **SMC South West Fund** records the operations of the campus at Plymouth.

RESTRICTED FUNDS

The **Dean's Discretionary Fund** is for grants or loans to students who are experiencing difficulty or hardship. Donations are received into the fund on an ad-hoc basis.

The **McDonald Professor Fund** is in respect of a donation received from the McDonald Agape Foundation to fund the post of McDonald Professor of Christian Theology.

The **McDonald Cross Fund** was a donation from the McDonald Agape Foundation to cover the cost of an altar cross for the college.

The **Durham Seedcorn Grant** is a grant made by Durham University towards the costs of a project researching the training provision for Interim Ministers.

The **Generous Orthodoxy Project** is a grant from the McDonald Agape Foundation to fund a research project into the college's concept of *Generous Orthodoxy*.

The **Spire Fund** represents various donations and grants towards the £1.2m cost of repairing the spire of St Jude's, Courtfield Gardens (the college's main base). These have been passed over to the Church Renewal Trust which as leaseholder has incurred the costs of these repairs.

The **Dispersed Learning Fund** covers a donation towards the costs of the college's dispersed learning projects.

An analysis of the movements on these funds is as follows-

	Opening Balance	Income	Expenditure	Closing Balance
	£	£	£	£
<u>Designated Funds</u>				
Beginning Theology	10,564	18,353	19,852	9,065
SMC North West	7,486	433,868	425,256	16,098
SMC South West	-21,468	105,597	128,654	-44,525
<u>Restricted Funds</u>				
Dean's Discretionary	5,231	5,829	4,350	6,710
McDonald Professor	0	17,448	17,448	0
McDonald Cross	0	2,900	2,900	0
Durham Seedcorn Grant	0	1,950	1,729	221
Generous Orthodoxy Project	0	22,500	2,231	20,269
Spire Fund	0	76,000	75,000	1,000
Dispersed Learning	0	79,451	79,451	0

It is our intention to grow the balance on the SMC North West Designated Fund towards a target of £145k, being one term's expenditure, in line with our Reserves Policy.

The SMC South West Designated Fund covers the operation of the new delivery centre in Plymouth. The five year financial forecast indicated that the adverse cash flow will peak at the end of the second year of operation at some £90k, thereafter achieving surpluses and returning to balance during the fifth year of operation. This adverse cash flow is to be partly covered by unsecured interest free loans up to a maximum of £60k (£45k as at 31st July 2018) from the Dioceses of Exeter and Truro repayable by 31st August 2022. These diocese are also guaranteeing any outstanding negative balance on this fund at the end of the fifth year of operation up to a maximum of £60k.

The comparative figures for the year ended 31st July 2017 were -

	Opening Balance	Income	Expenditure	Closing Balance
	£	£	£	£
<u>Designated Funds</u>				
Beginning Theology	11,625	18,820	19,881	10,564
SMC North West	23,175	330,683	346,372	7,486
SMC South West	0	0	21,468	-21,468
<u>Restricted Funds</u>				
Dean's Discretionary	4,492	1,614	875	5,231
McDonald Professor	0	17,639	17,639	0

13. SoFA COMPARATIVE FIGURES

The comparative figures for the Statement of Financial Activities for the year ended 31st July 2017 are as follows-

<i>-- Unrestricted Funds --</i>				
	General Fund	Designated Funds	Restricted Fund	Total Funds 2017
	£	£	£	£
INCOME				
Donations	65,399	0	19,253	84,652
<i>Income from charitable activities:</i>				
Course fees	1,780,660	349,438	0	2,130,098
Other income	45,090	0	0	45,090
Investment income	587	65	0	652
Fund raising income	36,639	0	0	36,639
Other income	0	0	0	0
TOTAL INCOME	1,928,375	349,503	19,253	2,297,131
EXPENDITURE				
<i>Expenditure on charitable activities:</i>				
Operation of college courses	1,817,408	387,721	17,639	2,222,768
Fund raising costs	20,177	0	0	20,177
Grants made	23,250	0	875	24,125
TOTAL EXPENDITURE	1,860,835	387,721	18,514	2,267,070
NET OPERATING INCOME / (EXPENDITURE)	67,540	-38,218	739	30,061
<i>Loss on Pension Deficit Liability</i>	<i>-51,365</i>	<i>0</i>	<i>0</i>	<i>-51,365</i>
NET INCOME / EXPENDITURE and net movement in funds	16,175	-38,218	739	-21,304
RECONCILIATION OF FUNDS				
Total funds brought	62,708	34,800	4,492	102,000
TOTAL FUNDS CARRIED FORWARD AT 31 JULY 2017	78,883	-3,418	5,231	80,696

These figures have been restated in order to separately show the gain on the Pension Deficit Liability.