

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022
FOR
EMMANUEL THEOLOGICAL COLLEGE
(A COMPANY LIMITED BY GUARANTEE)**

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

EMMANUEL THEOLOGICAL COLLEGE

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2022**

	Page
Reference and Administrative Details	1
Report of the Trustees	2 to 7
Report of the Independent Auditors	8 to 11
Statement of Financial Activities	12
Statement of Financial Position	13
Statement of Cash Flows	14
Notes to the Statement of Cash Flows	15
Notes to the Financial Statements	16 to 22

EMMANUEL THEOLOGICAL COLLEGE
REFERENCE AND ADMINISTRATIVE DETAILS
for the Year Ended 31 August 2022

TRUSTEES	Mr M P Elliott (resigned 31/7/2022) The Rt Rev M Davies Revd A R Brown Mrs M A Cheung The Revd Dr A O Chimhowu The Revd D A Craven Revd S S Gill Revd A Ham The Rt Rev E G Ineson (resigned 31/7/2022) Dr A Lazz-Onyenobi The Revd Canon Dr R Mann The Rt Rev Canon Dr B A Mason Revd N J McKee Revd R L Pennystan Mr N R Robson The Rt Rev M S A Tanner (resigned 31/7/2022) The Rt Rev P J North (appointed 1/8/2022) Mr G Colville (appointed 15/10/2022)
REGISTERED OFFICE	7 Abbey Square Chester Cheshire CH1 2HU
REGISTERED COMPANY NUMBER	06074349 (England and Wales)
REGISTERED CHARITY NUMBER	1122789
INDEPENDENT AUDITORS	Fairhurst Statutory Auditor Chartered Accountants Douglas Bank House Wigan Lane Wigan Lancashire WN1 2TB

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022**

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 2022. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The objects are:

1. The advancement of theological education in areas of Christian faith, mission, practice and

The provisions of learning opportunities for members of churches and other interested persons;
The sharing of theological resources with and among local churches, committees and other training providers;
The preparation of persons for accredited forms of ministry; and
The provision of opportunities for post-graduate study.

2. To advance theological education generally.

Emmanuel Theological College aims to equip the whole people of God of the whole mission of God today, by providing outstanding courses and programmes for lay and ordained leadership in the Church of England and beyond.

There are a variety of different pathways through the College curriculum for Licensed Lay Ministry candidates and ordinands.

The College offers teaching and supervision at all levels of study from Certificate of Higher Education to MA and doctoral studies for those wanting to do further study and extend their existing qualifications.

Students study part-time, with many remaining in full-time employment.

Achievements and Performance

Emmanuel Theological College has had a demanding and largely successful year in our first full year of operation following the transition from All Saints Centre for Ministry and Mission in April 2021, with new Articles of Association, revised charitable objectives, and a new board of trustees and directors.

All duties and responsibilities of the College pertaining to our aims and objectives have been undertaken. We have fulfilled our commitments to the University of Durham Common Awards and to the Ministry Council of the Church of England.

Emmanuel Theological College was inspected by the University of Durham Common Awards Team in May 2022 and was given an outstanding report by the head of Common Awards, Professor Mike Higton.

Rt Revd Mark Tanner stepped down as Chair of the Board in July 2022 and was replaced by The Rt Revd Philip North.

Public benefit

The trustees confirm that they have complied with the duty under section 17 of the Charities Act 2011 to have due regard to the public benefit guidance issued by the Charities Commission.

All Saints trains lay and ordained ministers to university standards for the Church of England. Independent students are also encouraged and welcomed. The costs of training are not charged to the majority of students and courses are open to members of the public at a subsidised cost. The professional training of the church's ministers is essential to the quality of the service that they offer to the public.

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022**

FINANCIAL REVIEW

Investment policy and objectives

The funds have been invested in short term investments in order to continue the activities of the company.

Reserves policy

The movement on reserves can be seen in detail in note 12 to these accounts.

The Trustees have agreed that the aim is for a minimum of six months gross salary and benefits costs be maintained within reserves. Based on the costs incurred this financial year, this would mean that reserves should stand at approximately £355,000.

The trustees recognise that there is currently a shortfall however, it is anticipated that a surplus will be achieved in the 2023 financial year which will go some way to reducing the shortfall.

Financial review

Income for the year totalled £926,503 (2021: £603,260) and expenditure amounted to £1,120,337 (2021: £794,523) per the Statement of Financial Activities (SOFA), leaving net deficit of £193,834 (2021: £191,263).

The trustees receive regular information and carefully monitor the financial position of the charity at their meetings.

They continue to review costs and reduce these where possible to ensure there are sufficient funds available to fulfil the core purposes of the charity as set out in the objectives above.

The trustees are satisfied that Emmanuel Theological College will have adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity, formerly called The Southern North West Training Partnership, was established in 2006 as an outworking of the commitment of church leaders and trainers in the region, to collaborate more closely in the provision of quality local and ecumenical theological education and training. Their vision was for a unitary and fully ecumenical Regional Training Partnership (the "RTP").

It became a company limited by guarantee on 30 January 2007 and gained charitable status in February 2008.

In May 2013, the charity changed its name to All Saints Centre for Mission and Ministry and then to Emmanuel Theological College in April 2021. It is governed by the provisions contained within its Memorandum and Articles of Association (reconstituted in 2021), the requirements of its partner institutions and other statutory and charity laws.

There are twelve Member bodies who appoint the Board of Trustees as follows:

The DBF of the Diocese of Chester
The DBF of the Diocese of Carlisle
The DBF of the Diocese of Liverpool
The DBF of the Diocese of Manchester
The DBF of the Diocese of Blackburn
The DBF of the Diocese of Sodor and Man

The Bishop of Carlisle
The Bishop of Chester
The Bishop of Liverpool
The Bishop of Manchester
The Bishop of Blackburn
The Bishop of Sodor and Man

Each member of the company has a personal liability limited to £1 under their guarantee as company members in the event of the company being wound up.

Recruitment and appointment of new trustees

The term trustee has the meaning as set out in section 177 of the Charities Act 2011, that is, "the persons having the general control and management of the administration of the charity regardless of what they are called". In the case of a charitable company, it is the directors who are the charity trustees. Throughout this report the word "director(s)" can also be read as "trustee(s)".

The trustees are appointed as per the Articles of Association, and are receiving ongoing training, as appropriate. Some senior staff have job titles incorporating the title 'Director' but they are not directors of the company for the purposes of company law. None of the trustees has any beneficial interest in the company.

The Chair of the Board was Bishop Mark Tanner, until July 2022 when it became Bishop Philip North, and the Board normally meets 4 times per year.

The Board of Trustees is responsible for the vision, strategy, and significant policies of Emmanuel Theological College. Operational responsibility is devolved to the Dean and Chief Executive Officer as per the relevant Schedule. As stated in its principal activities, Emmanuel Theological College provides the advancement of theological education in areas of Christian faith

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational structure

The day-to-day overview of the operation of the Course is in the hands of the Principal. This includes:

- Advising on action needed to raise the income necessary to finance expenditure
- Advising members of the financial aspects of its policy and on any other matters
- Preparation and management of the approved annual budget
- Investment powers over Emmanuel's own assets

In accordance with clause 11.1 of the Articles of Association, the Board of Trustees has also established sub-committees, the functions of which are listed below. All sub-committees assist the Principal in carrying out his duties and are required to report all acts and proceedings to the Board as soon as is reasonably practical.

Deans Review and Remuneration Subcommittee undertakes the following tasks:

- Review the Dean's performance against the job description and any performance indicators, including the details of the last annual performance plan.
- Agree an annual performance plan with the Dean for the forthcoming year.
- Arrange for any ongoing training or support that the Dean may need to complete duties.
- Appoint a member of the DRRS to conduct an interim review of the progress against the Dean's performance plan in December each year.
- Submit a report to the Board of Trustees highlighting both the successes of the previous year and outlining the key points in the annual performance plan.
- Review the Dean's remuneration in accordance with the contract of employment, job description, and performance plan and make recommendations to the Board of Trustees regarding any increase above those already contained in the Lichfield Scale for the forthcoming year.
- Through the Chair, keep informal contact with the Dean on a regular basis, offering support and advice as necessary.

Academic and Partnerships Subcommittee undertakes the following tasks:

- Work with the Dean, and where appropriate other members of staff, to monitor all aspects of the College's curriculum, teaching and learning, and quality of provision.
- Ensure that the College's academic strategy meets the needs of the North West, including provision of appropriate support for students from underrepresented backgrounds.
- Contribute to relevant sections of the Action Plan.
- Support the work of the Academic Working Group (AWG) where appropriate
- Ensure that effective monitoring of student experience and formational opportunities is undertaken regularly, and appropriate follow up and response is undertaken
- Review the relevant feedback from the annual student surveys.
- Exercise appropriate oversight regarding the accuracy of public information regarding the academic programmes offered by the College.
- Advise the Dean regarding partnerships, whether potential or actual, that will advance the goals of the College.
- Be responsible for policies that impact students experience, making any recommendations for change to the full Board of Trustees, including but not limited to:
 - Admission Policy
 - Terms and Conditions
 - Student Complaints Policy
 - Student Conduct Statement
 - Student Disciplinary Policy
 - Relevant sections of the Student Protection Plan

Business and Finance Subcommittee undertakes the following tasks:

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022**

STRUCTURE, GOVERNANCE AND MANAGEMENT

- Create the annual budget to be ratified by the Board
- Conduct annual monitoring and evaluation of the budget
- Ensure accounts are properly prepared and present each year
- Recommend an external auditor to the full Board, and ensure the auditor has all necessary information to conduct their business each year.
- Work with the Dean, and where appropriate other members of staff, to monitor all aspects of the College's financial activities and business planning.
- Contribute to relevant sections of the Action Plan, and strategically review the financial resources available to the College.
- Review the relevant feedback from the annual student surveys.
- Exercise appropriate oversight regarding the accuracy of public information regarding the Fees charged for various programmes and courses.
- Be responsible for policies that impact students experience, making any recommendations for change to the full Board of Trustees, including but not limited to:
 - Reviewing Fees for each academic year
 - Refund and Compensation Policy
 - Relevant sections of the Terms and Conditions
 - Relevant sections of the Student Protection Plan
 - Business Continuity Plan

Related parties

The trustees acknowledge that due to the complexity of the structures in which Emmanuel Theological College operates, a number of related party transactions may occur. A related party transaction is one where the charity has a relationship with another party, which might inhibit it from pursuing its own interests.

Any decision by a charity to enter into a transaction ought to be influenced only by the consideration of the charity's own interests. This does not necessarily mean that all transactions with related parties are influenced by the consideration of interests other than the charity's, nor that they are liable to invalidation, but transparency is important and therefore information about such transactions is necessary.

The transactions and balances with related parties are disclosed in note 13 to the financial statements.

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.

In addition to the risk of fraud and error, the principal risks relate to the number of student enrolments and the funding provision for the Ministry Division of Archbishops' Council and other sponsoring bodies.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of Emmanuel Theological College 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).

**REPORT OF THE TRUSTEES
for the Year Ended 31 August 2022**

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

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.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Fairhurst, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved by order of the board of trustees on 28 February 2023 and signed on its behalf by:

The Rt Rev P J North - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EMMANUEL THEOLOGICAL COLLEGE

Opinion

We have audited the financial statements of Emmanuel Theological College (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 2022 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EMMANUEL THEOLOGICAL COLLEGE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

Responsibilities of trustees

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EMMANUEL THEOLOGICAL COLLEGE

Our 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, The Companies Act 2006, UK Tax, employment, pension and health & safety regulations and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and Charities Act.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to management bias in accounting estimates and judgements.

Our procedures to respond to risks identified included the following:

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- reviewing the financial statement disclosures and performing tests on supporting documentation to assess compliance with the provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management about actual and potential litigation and claims; their policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls: testing the appropriateness of journal entries; assessing whether the accounting estimates, judgements and decisions made by management are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in our audit procedures described above. The more removed those laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspections of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 Report of the Independent Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
EMMANUEL THEOLOGICAL COLLEGE**

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 charitable company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Jane Dennis BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

28 June 2023

EMMANUEL THEOLOGICAL COLLEGE

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
for the Year Ended 31 August 2022**

	Notes	2022 Unrestricted funds £	2021 Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities	3		
Course Fees		924,894	603,194
Investment income	2	1,609	66
Total		<u>926,503</u>	<u>603,260</u>
EXPENDITURE ON			
Charitable activities	4		
Education and training for Ministry		<u>1,120,337</u>	<u>794,523</u>
NET INCOME/(EXPENDITURE)		(193,834)	(191,263)
Other recognised gains/(losses)			
Actuarial gains on defined benefit schemes		-	3,000
Net movement in funds		<u>(193,834)</u>	<u>(188,263)</u>
RECONCILIATION OF FUNDS			
Total funds brought forward		354,267	542,530
TOTAL FUNDS CARRIED FORWARD		<u><u>160,433</u></u>	<u><u>354,267</u></u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 August 2022

	Notes	2022 Unrestricted funds £	2021 Total funds £
CURRENT ASSETS			
Debtors	9	70,898	17,403
Prepayments and accrued income		-	-
Cash at bank and in hand		<u>358,716</u>	<u>489,810</u>
		429,614	507,213
CREDITORS			
Amounts falling due within one year	10	(269,181)	(152,946)
NET CURRENT ASSETS		<u>160,433</u>	<u>354,267</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		160,433	354,267
NET ASSETS		<u>160,433</u>	<u>354,267</u>
FUNDS	12		
Unrestricted funds		<u>160,433</u>	<u>354,267</u>
TOTAL FUNDS		<u>160,433</u>	<u>354,267</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 28 February 2023 and were signed on its behalf by:

The Rt Rev P J North - Trustee

EMMANUEL THEOLOGICAL COLLEGE

**STATEMENT OF CASH FLOWS
for the Year Ended 31 August 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(237,703)</u>	<u>(102,781)</u>
Net cash used in operating activities		<u>(237,703)</u>	<u>(102,781)</u>
Cash flows from investing activities			
Interest received		<u>1,609</u>	<u>66</u>
Net cash provided by investing activities		<u>1,609</u>	<u>66</u>
Cash flows from financing activities			
New loans in year		105,000	60,000
Loan repayments in year		<u>-</u>	<u>(2,500)</u>
Net cash provided by financing activities		<u>105,000</u>	<u>57,500</u>
Change in cash and cash equivalents in the reporting period		<u>(131,094)</u>	<u>(45,215)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>489,810</u>	<u>535,025</u>
Cash and cash equivalents at the end of the reporting period		<u>358,716</u>	<u>489,810</u>

The notes form part of these financial statements

EMMANUEL THEOLOGICAL COLLEGE

**NOTES TO THE STATEMENT OF CASH FLOWS
for the Year Ended 31 August 2022**

1. RECONCILIATION OF NET EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net expenditure for the reporting period (as per the Statement of Financial Activities)	(193,834)	(191,263)
Adjustments for:		
Interest received	(1,609)	(66)
(Increase)/decrease in debtors	(53,495)	124,465
Increase/(decrease) in creditors	11,235	(34,917)
Difference between pension charge and cash contributions	-	(1,000)
Net cash used in operations	<u>(237,703)</u>	<u>(102,781)</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/9/21 £	Cash flow £	At 31/8/22 £
Net cash			
Cash at bank and in hand	<u>489,810</u>	<u>(131,094)</u>	<u>358,716</u>
	<u>489,810</u>	<u>(131,094)</u>	<u>358,716</u>
Debt			
Debts falling due within 1 year	<u>(60,000)</u>	<u>(105,000)</u>	<u>(165,000)</u>
	<u>(60,000)</u>	<u>(105,000)</u>	<u>(165,000)</u>
Total	<u>429,810</u>	<u>(236,094)</u>	<u>193,716</u>

The notes form part of these financial statements

EMMANUEL THEOLOGICAL COLLEGE

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost 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.

Allocation and apportionment of costs

Wherever possible, each item of expenditure is allocated to either charitable activities or governance costs, according to the function it pertains to. The cost of charitable activities includes support costs, which are those costs not constituting part of the output of a charitable activity but which are necessary for its delivery. The main items allocated to support costs are the employment of administrative staff together with the running costs of the charity's offices.

Governance costs are costs associated with the governance arrangements of the charity and include the preparation of the financial statement and their review, legal advice for the trustees and the costs of holding trustees meetings.

Whenever a cost cannot be directly allocated to any of the above, an apportionment is made on a just and reasonable basis.

Taxation

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only.

The charity is not able to recover Value Added Tax and therefore all expenditure in the accounts is recorded inclusive of VAT.

Fund accounting

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

All funds are unrestricted funds, which are expendable at the discretions of the trustees in furtherance of the objects of the charity.

EMMANUEL THEOLOGICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022**

2. INVESTMENT INCOME

	2022	2021
	£	£
Deposit account interest	<u>1,609</u>	<u>66</u>

3. INCOME FROM CHARITABLE ACTIVITIES

		2022	2021
	Activity	£	£
Partner Dioceses Reader Fees	Course Fees	-	144,000
Independent Students	Course Fees	31,287	(20,270)
Module Fees	Course Fees	-	19,448
Sundry sources	Course Fees	23,850	1,101
Training Fees	Course Fees	869,757	362,915
Director of Studies	Course Fees	<u>-</u>	<u>96,000</u>
		<u>924,894</u>	<u>603,194</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Support costs (see note 5) £	Totals £
Education and training for Ministry	<u>884,310</u>	<u>236,027</u>	<u>1,120,337</u>

5. SUPPORT COSTS

	Management £
Education and training for Ministry	<u>236,027</u>

Support costs, included in the above, are as follows:

Management

	2022	2021
	Education and training for Ministry £	Total activities £
Admin staff wages	178,711	126,006
Other operating leases	8,046	10,015
Insurance	2,606	2,386
Postage and stationery	373	3,100
Other costs	22,443	30,848
Admin travel & training	6,987	-
Legal fees	<u>-</u>	<u>64,727</u>
Carried forward	219,166	237,082

EMMANUEL THEOLOGICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022**

5. SUPPORT COSTS - continued

Management - continued

	2022 Education and training for Ministry £	2021 Total activities £
Brought forward	219,166	237,082
Accountancy assistance	-	1,264
Audit fees	5,701	9,000
Office move and set-up	10,353	-
Bank fees	807	-
	<u>236,027</u>	<u>247,346</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2022 £	2021 £
Other operating leases	<u>8,046</u>	<u>10,015</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

No Trustees received any remuneration for services as trustees, but the Revd Canon Michael Leyden was paid for his role as Principal of the College. He was also reimbursed expenses in connection with his work of- £6,073 (2021 - nil). None of the Trustees received travel expenses (2021 - none).

Michael Leyden's salary package was made up of salary, housing allowance, book allowance and retreat allowance and the total taxable salary was £32,330 (2021 - nil). The pension contributions are under a non-contributory scheme, as detailed in note 14 and amounted to £9,680 (2021 - nil).

John Applegate was the Principle in 2021 financial year. His salary package for 2021 was made up of salary, housing allowance, book allowance and retreat allowance and the totalled £34,732. The pension contributions made on his behalf to a non-contributory scheme, as detailed in note 14 were nil (2021:£44,419).

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2022 nor for the year ended 31 August 2021.

EMMANUEL THEOLOGICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022**

8. STAFF COSTS

	2022	2021
	£	£
Wages and salaries	655,246	486,366
	<u>655,246</u>	<u>486,366</u>

The average monthly number of employees during the year was as follows:

	2022	2021
Academic	13	6
Administration	5	5
	<u>18</u>	<u>11</u>

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

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade debtors	18,797	12,557
Other debtors	5,315	2,860
Prepayments and accrued income	46,786	1,986
	<u>70,898</u>	<u>17,403</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts (see note 11)	105,000	-
Other loans (see note 11)	60,000	60,000
Trade creditors	-	199
Social security and other taxes	12,980	12,806
Other creditors	86,541	9,526
Accrued expenses	4,660	70,415
	<u>269,181</u>	<u>152,946</u>

EMMANUEL THEOLOGICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022**

11. LOANS

An analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year on demand:		
Bank loans	105,000	-
Loans from connected charities	<u>60,000</u>	<u>60,000</u>
	<u>165,000</u>	<u>60,000</u>

All of the above loans are interest-free and not secured and are repayable in full by 31st August 2022..

12. MOVEMENT IN FUNDS

	At 1/9/21 £	Net movement in funds £	At 31/8/22 £
Unrestricted funds			
Other charitable funds	354,267	(181,033)	173,234
Designated fund	<u>-</u>	<u>(12,801)</u>	<u>(12,801)</u>
	<u>354,267</u>	<u>(193,834)</u>	<u>160,433</u>
TOTAL FUNDS	<u>354,267</u>	<u>(193,834)</u>	<u>160,433</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Other charitable funds	926,503	(1,107,536)	(181,033)
Designated fund	<u>-</u>	<u>(12,801)</u>	<u>(12,801)</u>
	<u>926,503</u>	<u>(1,120,337)</u>	<u>(193,834)</u>
TOTAL FUNDS	<u>926,503</u>	<u>(1,120,337)</u>	<u>(193,834)</u>

EMMANUEL THEOLOGICAL COLLEGE

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022**

12. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/20 £	Net movement in funds £	At 31/8/21 £
Unrestricted funds			
Other charitable funds	440,430	(98,964)	341,466
Designated fund	102,100	(89,299)	12,801
	<u>542,530</u>	<u>(188,263)</u>	<u>354,267</u>
TOTAL FUNDS	<u>542,530</u>	<u>(188,263)</u>	<u>354,267</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
Other charitable funds	603,261	(705,225)	3,000	(98,964)
Designated fund	(1)	(89,298)	-	(89,299)
	<u>603,260</u>	<u>(794,523)</u>	<u>3,000</u>	<u>(188,263)</u>
TOTAL FUNDS	<u>603,260</u>	<u>(794,523)</u>	<u>3,000</u>	<u>(188,263)</u>

13. RELATED PARTY DISCLOSURES

Loans from related party organisations are as follows

	2022	2021
£ £		
The Diocese of Blackburn	10,000	10,000
The Diocese of Carlisle	10,000	10,000
The Diocese of Chester	10,000	10,000
The Diocese of Liverpool	10,000	10,000
The Diocese of Manchester	10,000	10,000
The Diocese of Sodor & Man	10,000	10,000

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2022

14. EMPLOYEE BENEFIT OBLIGATIONS

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

There is no sub-division of assets between employers in each 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.

Church of England Funded Pension Scheme (CEFPS)

Emmanuel Theological College participates in the Church of England Funded Pensions 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 Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

The pensions costs charged to the SoFA in the year in respect of the above schemes were £114,730 (2021: £67,286).

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