

COMPANY REGISTRATION NUMBER: 04700056
CHARITY REGISTRATION NUMBER: 1099953

The Cambridge Theological Federation
Company Limited by Guarantee
Financial Statements
31 August 2017

CHATER ALLAN LLP

Chartered accountant & statutory auditor
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

The Cambridge Theological Federation

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2017

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The Cambridge Theological Federation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report)

Year ended 31 August 2017

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2017.

Reference and administrative details

Registered charity name	The Cambridge Theological Federation
Charity registration number	1099953
Company registration number	04700056
Principal office and registered office	The Bounds Westminster College Lady Margaret Road Cambridge CB3 0BJ

Key management personnel

During the year the key management personnel were Sharon Williamson, Registrar (resigned 28 February 2018), Rev Neil Thorogood, President, Revd Dragos Herescu, Chair of Resources Committee, Elizabeth Burns, Director of Taught Programmes (resigned 6 February 2018), Zoe Bennet, Director of Postgraduate Studies and Alastair Oatey, Finance Manager (appointed 1 March 2018).

The trustees

Dame Mary Tanner (Chair)	
Professor John Bell	
Dr Ian Randall	
Rev'd Neil Thorogood (President)	
Rev'd Nigel Uden	
Rev'd Canon Chris Chivers	
Rt Rev'd Stephen Conway	
Rev'd Dr Jane Leach	
The Ven Hugh McCurdy	
Mrs Roberta Canning	
Rev'd Dr Alex Jensen	
Rt Rev'd Richard Atkinson	(Appointed 1 September 2016)
Rev'd Dragos Herescu (Chair of Resources Committee)	(Appointed 21 February 2017)
Rev'd Dr Michael Volland	(Appointed 21 February 2017)
Dr Anna Abram	(Appointed 21 June 2017)
Gladys Kathleen Bland	(Appointed 20 September 2016)
Dr Andrew Thomas Cates	(Appointed 21 June 2017)
Dr Christopher Grogan	(Appointed 21 June 2017)
Dr Stuart Jordan	(Appointed 21 June 2017)
Rachel Jane Revely	(Appointed 18 July 2017)
Mr John Harrison	(Died 30 November 2016)
Professor Judith Lieu	(Resigned 20 June 2017)
Rev'd Canon Andrew Norman	(Resigned 21 February 2017)
Dr Oonagh O'Brien	(Resigned 20 June 2017)
Mrs Carol Reekie	(Resigned 9 September 2016)
Mr Paul Arnold	(Served from 10 November 2016 to 20 June 2017)

The Cambridge Theological Federation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

Company secretary	Mrs Sharon Williamson (resigned 28 February 2018) Mr Alastair Oatey (appointed 1 March 2018)
Auditor	Chater Allan LLP Chartered accountant & statutory auditor Beech House 4a Newmarket Road Cambridge CB5 8DT
Accountancy and payroll	Bidwells LLP Bidwell House Trumpington Road Cambridge CB2 9LD
Bankers	Barclays Plc PO Box No2 Cambridge CB3 3PZ

The Cambridge Theological Federation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

Structure, governance and management

The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association.

The seven full member bodies of the Cambridge Theological Federation are:

- Eastern Region Ministry Course (Church of England)
- Institute for Orthodox Christian Studies (Orthodox Christian)
- Margaret Beaufort Institute of Theology (Roman Catholic)
- Ridley Hall (Church of England)
- Wesley House (Methodist)
- Westcott House (Church of England)
- Westminster College (United Reformed Church)

In addition, there are two associate institutes of the Federation:

- Cambridge Centre for Christianity Worldwide
- Woolf Institute

The charitable company is run by a group of directors, the Governing Council, who meet regularly for the purpose of maintaining its performance and making strategic decisions. The Council has control of the Federation and its property and funds. The Council delegates management to the Federation Management Committee, comprising the Principals of the Member Bodies and the associate institutes, in addition to the Federation's Registrar, Director of Postgraduate Research Programmes and Director of Taught Programmes. The Management Committee is chaired by one of the Principals, elected on a rotational basis.

The trustees determine the general policy of the charity. The day to day management is delegated to the Registrar, who makes decisions with the guidance of the trustees as appropriate.

As set out in the Articles of Association, the Council comprises a representative of the governing body of each of the seven Member Bodies; the Principal or Acting Principal of each Member Body; a representative of each of the Student Forum, Staff Forum and Academic Staff Forum; and no fewer than three and not more than five independent people elected by the Annual General Meeting with no current connection with any Member Body. The Chair of the Council is normally elected from amongst the Independent members of Council. The Directors of the Associate Institutes have the right to attend Council meetings and to speak, but do not have the right to vote.

Independent members are selected for their willingness to support and promote the vision of the Federation, and also for their expertise in areas key to the Federation's achieving its financial, legal and ecumenical objectives.

The Registrar makes recommendations to the Resources Committee for changes in pay. The Resources Committee considers these and makes recommendations to the Federation Management Committee who make the decision.

The major risks have been reviewed by the Federation Governing Council and systems or procedures have been established to manage those risks. In particular the financial risks were reviewed at the end of the period and measures put in place, including increased contributions from the members, to mitigate the risk of decreased income through declining student numbers.

The Cambridge Theological Federation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

Objectives and activities

The Federation's objectives are to advance the Christian faith, to advance religious, ecumenical education in accordance with the doctrine and principles of the Christian faith, and to prepare men and women for ordained or lay ministry and service within the Christian churches. The Cambridge Theological Federation brings together the teaching and learning of nine institutes through which people of different churches, including Anglican, Methodist, Orthodox, Reformed and Roman Catholic carry out the Federation's fundamental purposes, set out in its Statement of Purpose, adopted in 2016:

"Shaped by a common life of prayer and study, the Cambridge Theological Federation is an ecumenical collaboration of educational institutes engaged in the formation of Christian leaders. Individually and together we teach theology for ministry; reflect on the local and global, ecumenical and inter-faith context for Christian mission; foster encounter between people of different ecclesial and faith traditions; and undertake research in theology and religious studies."

This vision is given shape by the nature and needs of the contemporary world for Christian leadership which is theologically and pastorally wise, mission oriented, and committed to collaborative ways of discerning the truth with love. Given our particular location in Cambridge, it is natural that the Federation should seek to develop a role in thought leadership in terms of the wider church, and to share the evolution of these ideas internally and externally. The Federation intends its member institutions to grow together in effectiveness across four key domains:

1. innovation and creativity for mission in today's world;
2. excellence and accessibility in education and formation for Christian ministries and discipleship;
3. distinctive contribution to the Church's ecumenical endeavour;
4. engagement with the world-wide Church and higher education in learning and scholarship.

The Federation's main activities in relation to its purposes are:

1. to provide facilities for students of all Christian denominations, and of other faith communities;
2. to provide initial and continuing education and training for various ministries in the Christian churches;
3. to publish and make available information and resources;
4. to foster or undertake research;
5. to co-operate and enter into arrangements with educational, ecclesiastical or other bodies.

In the exercise of their powers to that end the Directors have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act. We believe that the Federation meets the requirement in the following ways:

1. by the provision of regular communal acts of worship to encourage and facilitate the practice of the Christian religion by those training for ministry and their families;
 2. by supporting the theological colleges which are members of the Federation in raising awareness of religious practices and beliefs;
 3. by providing education in accordance with the principles and practices of the Christian religion;
 4. by providing opportunities through Social Context Placements for members of the Federation to engage in prison, hospital and school chaplaincy work
 5. by providing training for members of the Federation in pastoral and liturgical work, both within and beyond faith communities;
 6. by providing opportunities for continuing ministerial education for ministers through both formal educational programmes and training offered for placement supervisors, academic
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The Cambridge Theological Federation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

- tutors and others;
7. by providing, through its member houses, seminars and lectures on current topics of interest to Christian faith for the general public;
 8. by engaging in dialogue and research to explore and promote inter-faith understanding and cooperation

Achievements and performance

In accordance with its objectives, the Federation has continued its principal activity of providing theological education and training for students of its member bodies and other independent students. Over 300 students were registered with the Federation in 2016-17; the majority were studying for one or other of the Federation's awards listed below, but the total also includes exchange students visiting for one or more terms and others studying on a not-for-credit basis.

Through the University of Cambridge:

Bachelor of Theology for Ministry (BTh):	32
Diploma in Theology for Ministry (DTM):	4
BA in Theology and Religious Studies (Tripos):	15

Through Anglia Ruskin University:

BA (Hons) Christian Theology:	2
MA in Christian Theology:	2
MA in Pastoral Theology:	3
Professional Doctorate in Practical Theology:	54
PhD/MPhil:	11

Through Durham University ("the Common Awards"):

Certificate in Theology, Ministry and Mission:	28
Certificate in Theology, Ministry and Mission (CYM):	10
Diploma in Theology, Ministry and Mission:	69
Graduate Diploma in Theology, Ministry and Mission:	6
BA (Hons) in Theology, Ministry and Mission:	45
PG Certificate in Theology, Ministry and Mission:	7
PG Diploma in Theology, Ministry and Mission:	0
MA in Theology, Ministry and Mission:	44

Through other universities:

PhD:	6
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The Federation has expanded its Common Awards suite of programmes to include postgraduate awards, and enrolled 39 students on the PG Certificate, PG Diploma and MA in their first year. Some students who had originally enrolled on the Postgraduate awards validated by Anglia Ruskin University (MACT and MAPT) transferred to the Durham Common Awards, whilst others opted to complete their studies with Anglia Ruskin.

The Cambridge Theological Federation

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

Financial review

The Federation's total incoming resources from charitable activities for the year amounted to £639,387 (2016: £671,438). Of that amount, income from the Federation's management of the registry activities in relation to the students attached to the Federation amounted to £639,387 (2016: £671,308).

The costs of charitable activities amounted to £861,071 (2016: £782,871) of which £672,844 (2016: £592,141) related to direct costs and £188,227 (2016: £189,930) related to support costs. This included Governance costs of £24,577 (2016: £31,132). Staff costs, including pension and social security costs, were £319,902 (2016: £312,604).

Net current assets at the end of the year amounted to £213,030 (2016: £330,203). Total funds were £1,744,057 of which unrestricted funds amounted to £1,711,383 (2016: £1,658,124) and restricted funds amounted to £32,674 (2016: £207,502).

The Trustees have taken the view that to ensure continuing operations with a fluctuating income stream, the Charity needs to hold general reserves equivalent of three months' normal operating costs. At 31.08.17, free reserves were £180,356.

Plans for future periods

The Federation will continue to offer the Common Awards programmes, validated by Durham University, at Levels 4, 5, 6 and 7; the programmes offered are the Certificate, Diploma, Graduate Diploma, BA (Hons), Postgraduate Certificate, Postgraduate Diploma and MA in Theology, Ministry and Mission. In addition, the Federation has been approved by Durham to offer a pathway specific to Children, Youth and Mission (CYM) within the Common Awards, and will continue to offer a CYM Certificate (Level 4) and BA (Level 6).

The Federation will apply to Durham to add a CYM Diploma at Level 5 for the Academic Year 2017/18.

The University of Cambridge continues its partnership with the Federation on the delivery of the Bachelor of Theology in Ministry (BTh) and Diploma in Theology for Ministry.

Anglia Ruskin University (ARU) and the Federation are engaged in a revalidation of the Professional Doctorate (DProf) in Practical Theology, which is expected to conclude by the end of April. The DProf and PhD programmes validated by ARU continue as strengths and growth areas in the Federation's portfolio.

The Federation will continue to deliver its Higher Education compliance requirements to HEFCE, the QAA and the Home Office, with the addition in 2016/17 of reporting to the Higher Education Statistics Agency (HESA) on student numbers, the Destinations of Leavers from Higher Education (DLHE) and the National Students Survey (NSS).

The Federation Governing Council is expected on 8th May 2018 to adopt a new funding model to take effect from September 2018 which is based on the following principles:

1. The CTF charity will have a balanced budget each year.
 2. The core central costs are split amongst the houses in equal proportions, according to their membership category (Full or Associate).
 3. The library costs are split amongst the houses according to their level of demand on the service.
 4. The costs of running each of the degree programmes are borne in full by those houses wishing to offer those degrees.
 5. The Houses keep all of the student fee income after the university has taken its share.
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The Cambridge Theological Federation

Company Limited by Guarantee

Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

Trustees' responsibilities statement

The trustees, who are also directors 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 the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, 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 applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The Cambridge Theological Federation

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Trustees' Annual Report (Incorporating the Director's Report) *(continued)*

Year ended 31 August 2017

The trustees' annual report was approved on 8 May 2018 and signed on behalf of the board of trustees by:

Mary Tanner

Dame Mary Tanner
Chair of the Governing Council

The Cambridge Theological Federation

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Cambridge Theological Federation

Year ended 31 August 2017

Opinion

We have audited the financial statements of The Cambridge Theological Federation for the year ended 31 August 2017 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2017 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;
- 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
 - the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.
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The Cambridge Theological Federation

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Cambridge Theological Federation *(continued)*

Year ended 31 August 2017

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

The Cambridge Theological Federation

Company Limited by Guarantee

Independent Auditor's Report to the Members of The Cambridge Theological Federation *(continued)*

Year ended 31 August 2017

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 for 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 purpose of expressing an opinion on the effectiveness of the 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 related to events or conditions that may cast significant doubt on the charity'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 charity to cease to continue as a going concern.

The Cambridge Theological Federation

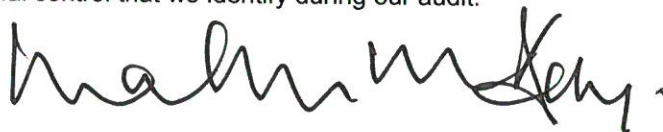
Company Limited by Guarantee

Independent Auditor's Report to the Members of The Cambridge Theological Federation *(continued)*

Year ended 31 August 2017

- 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.



Graham Michael David Day (Senior Statutory Auditor)

For and on behalf of
Chater Allan LLP
Chartered accountant & statutory auditor
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

30 May 2018

The Cambridge Theological Federation

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 August 2017

		Unrestricted funds £	2017 Restricted funds £	Total funds £	2016 Total funds £
	Note				
Income and endowments					
Donations and legacies	5	39,000	36,302	75,302	1,553,594
Income from charitable activities	6	639,387	—	639,387	671,438
Other trading activities	7	24,600	—	24,600	3,300
Investment income	8	213	—	213	234
Total income		<u>703,200</u>	<u>36,302</u>	<u>739,502</u>	<u>2,228,566</u>
Expenditure					
Expenditure on charitable activities		<u>739,747</u>	<u>121,324</u>	<u>861,071</u>	<u>782,071</u>
Total expenditure		<u>739,747</u>	<u>121,324</u>	<u>861,071</u>	<u>782,071</u>
Net (expenditure)/income		<u>(36,547)</u>	<u>(85,022)</u>	<u>(121,569)</u>	<u>1,446,495</u>
Transfers between funds		89,806	(89,806)	—	—
Net movement in funds		<u>53,259</u>	<u>(174,828)</u>	<u>(121,569)</u>	<u>1,446,495</u>
Reconciliation of funds					
Total funds brought forward		1,658,124	207,502	1,865,626	419,131
Total funds carried forward		<u>1,711,383</u>	<u>32,674</u>	<u>1,744,057</u>	<u>1,865,626</u>

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

The notes on pages 16 to 25 form part of these financial statements.

The Cambridge Theological Federation

Company Limited by Guarantee

Statement of Financial Position

31 August 2017

COMPANY REGISTRATION NUMBER: 04700056
CHARITY REGISTRATION NUMBER: 1099953

		2017 £	2016 £
Fixed assets			
Tangible fixed assets	15	1,531,027	1,535,423
Current assets			
Debtors	16	221,092	262,837
Cash at bank and in hand		149,602	147,457
		370,694	410,294
Creditors: amounts falling due within one year	17	157,664	80,091
Net current assets		213,030	330,203
Total assets less current liabilities		1,744,057	1,865,626
Net assets		1,744,057	1,865,626
Funds of the charity			
Restricted funds		32,674	207,502
Unrestricted funds		1,711,383	1,658,124
Total charity funds	19	1,744,057	1,865,626

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

These financial statements were approved by the board of trustees and authorised for issue on ...8 May 2018, and are signed on behalf of the board by:

Mary Tanner

Dame Mary Tanner
Trustee

The notes on pages 16 to 25 form part of these financial statements.

The Cambridge Theological Federation

Company Limited by Guarantee

Statement of Cash Flows

Year ended 31 August 2017

	2017 £	2016 £
Cash flows from operating activities		
Net (expenditure)/income	(121,569)	1,446,495
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	21,915	13,379
Other interest receivable and similar income	(213)	(234)
Interest payable and similar charges	—	396
Accrued expenses	44,244	50,769
<i>Changes in:</i>		
Trade and other debtors	41,745	(175,824)
Trade and other creditors	33,328	(60,739)
Cash generated from operations	19,451	1,274,242
Interest paid	—	(396)
Interest received	213	234
Net cash from operating activities	<u>19,664</u>	<u>1,274,080</u>
Cash flows from investing activities		
Purchase of tangible assets	(17,519)	(1,458,535)
Net cash used in investing activities	<u>(17,519)</u>	<u>(1,458,535)</u>
Net increase/(decrease) in cash and cash equivalents	2,145	(184,455)
Cash and cash equivalents at beginning of year	<u>147,457</u>	<u>331,912</u>
Cash and cash equivalents at end of year	<u>149,602</u>	<u>147,457</u>

The notes on pages 16 to 25 form part of these financial statements.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2017

1. General information

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

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006.

3. Accounting policies

Defined benefit plans

The company operates a defined benefit scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

Basis of preparation

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

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

Going concern

The Trustees have considered the financial position of the charity and believe it is well placed to manage its business risks successfully. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future, thus they continue to adopt the going concern basis of preparation in preparing the financial statements.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The fair value of investment properties involved the use of valuation techniques.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Fund accounting

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

Designated funds are unrestricted funds earmarked by the trustees for particular future project or commitment.

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

Incoming resources

All income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- legacy income is recognised when receipt is probable and entitlement is established.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Assets costing over £500 and having an expected greater life than one year are capitalised. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- 125 years Straight Line
Equipment	- 25% reducing balance

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised under the appropriate heading in the statement of financial activities in which the initial gain was recognised.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Limited by guarantee

The Cambridge Theological Federation is a company limited by guarantee and the liability of the members is limited to £10 each.

5. Donations and legacies

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Donations			
Donations & other income	39,000	—	39,000
Grants			
Laing Grant	—	36,302	36,302
	<u>39,000</u>	<u>36,302</u>	<u>75,302</u>

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

5. Donations and legacies *(continued)*

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Donations			
Donations & other income	—	—	—
Grants			
Laing Grant	—	1,553,594	1,553,594
	<u>—</u>	<u>1,553,594</u>	<u>1,553,594</u>

6. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Theological education and training	639,387	—	639,387
	<u>639,387</u>	<u>—</u>	<u>639,387</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Theological education and training	671,308	130	671,438
	<u>671,308</u>	<u>130</u>	<u>671,438</u>

7. Other trading activities

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Letting	24,600	24,600	3,300	3,300
	<u>24,600</u>	<u>24,600</u>	<u>3,300</u>	<u>3,300</u>

8. Investment income

	Unrestricted Funds £	Total Funds 2017 £	Unrestricted Funds £	Total Funds 2016 £
Bank interest receivable	213	213	234	234
	<u>213</u>	<u>213</u>	<u>234</u>	<u>234</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2017 £	Total fund 2016 £
Theological education and training	672,844	188,227	861,071	782,071
	<u>672,844</u>	<u>188,227</u>	<u>861,071</u>	<u>782,071</u>

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements (continued)

Year ended 31 August 2017

10. Analysis of support costs

	Analysis of support costs £	Total 2017 £	Total 2016 £
Staff costs	137,596	137,596	128,861
Premises	19,395	19,395	8,563
General office	6,659	6,659	21,374
Governance costs	24,577	24,577	31,132
	<u>188,227</u>	<u>188,227</u>	<u>189,930</u>

11. Net (expenditure)/income

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

	2017 £	2016 £
Depreciation of tangible fixed assets	<u>21,915</u>	<u>13,379</u>

12. Auditors remuneration

	2017 £	2016 £
Fees payable for the audit of the financial statements	<u>5,700</u>	<u>6,870</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2017 £	2016 £
Wages and salaries	282,875	277,414
Social security costs	16,499	18,848
Employer contributions to pension plans	20,528	16,342
	<u>319,902</u>	<u>312,604</u>

The average head count of employees during the year was 11 (2016: 10).

No employee received employee benefits of more than £60,000 during the year (2016: Nil).

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total remuneration paid to key management personnel for services provided to the charity was £114,028 (2016: £99,963).

14. Trustee remuneration and expenses

The Trustees received no remuneration (2016 £Nil) during the year.

During the period Trustees received a reimbursement of travel expenses of £206 (2016 £nil).

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

15. Tangible fixed assets

	Long leasehold property £	Equipment £	Total £
Cost			
At 1 September 2016	1,515,495	54,795	1,570,290
Additions	3,448	14,071	17,519
At 31 August 2017	<u>1,518,943</u>	<u>68,866</u>	<u>1,587,809</u>
Depreciation			
At 1 September 2016	5,052	29,815	34,867
Charge for the year	12,152	9,763	21,915
At 31 August 2017	<u>17,204</u>	<u>39,578</u>	<u>56,782</u>
Carrying amount			
At 31 August 2017	<u>1,501,739</u>	<u>29,288</u>	<u>1,531,027</u>
At 31 August 2016	<u>1,510,443</u>	<u>24,980</u>	<u>1,535,423</u>

Long leasehold property includes £935,000 paid to Westminster College. This is in respect of a lease of The Bounds which commenced October 2015 and runs for 125 years. The lease premium is being depreciated over 125 years.

16. Debtors

	2017 £	2016 £
Trade debtors	79,267	57,350
Other debtors	141,825	205,487
	<u>221,092</u>	<u>262,837</u>

17. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	49,078	23,159
Social security and other taxes	6,641	4,563
Other creditors	101,944	52,369
	<u>157,664</u>	<u>80,091</u>

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

18. Pensions and other post retirement benefits

The Cambridge Theological Federation participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two pensions, 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 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 FRS102. This is because it is not possible to attribute the Pension Builders Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions are £20,528 (2016: £16,342).

A valuation of the scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. This revealed, on the ongoing assumptions used, a deficit of £14.2m using an 'ongoing valuation' and a deficit of £15.3m using a 'security valuation'. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014 so the first full valuation of that section will be carried out at the next CWPF valuation date, 31 December 2016.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
General funds	1,654,293	703,200	(768,250)	46,405	1,635,648
Major projects	2,918	—	—	(2,918)	—
Sinking fund to replace servers	913	—	—	(913)	—
	<u>1,658,124</u>	<u>703,200</u>	<u>(768,250)</u>	<u>42,574</u>	<u>1,635,648</u>

Major projects

This fund was established by the Federation Management Committee in April 2008 to cover projects benefiting students across two or more Federation Houses.

Sinking Fund

This fund was established by the Federation Management Committee in April 2011 to fund the replacement of servers which runs its computer network. The servers are shared with some of the member institutions, so the Federation's contributions forms only part of the total costs. It was agreed in the year to 31 August 2017 to transfer the fund to general funds.

Restricted funds

	At 1 September 2016 £	Income £	Expenditure £	Transfers £	At 31 August 2017 £
Eastern Region Training Partnership	53,400	—	(20,726)	—	32,674
Laing grant	154,102	36,301	(101,333)	(89,070)	—
	<u>207,502</u>	<u>36,301</u>	<u>(122,059)</u>	<u>(89,070)</u>	<u>32,674</u>

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

19. Analysis of charitable funds *(continued)*

Estates Review and Laing Grant: An initial grant from the Maurice and Hilda Laing Charitable Trust was given to fund an internal review of the Federation's activities. Following on from this review further grants were made available towards building development projects which benefit the Federation as a whole. The grant monies are paid by the Trust to reimburse specific expenditure by the Federation. Part of the restricted income is used to cover capital expenditure. During the year the Federation has spent £42,574 (2016: £1,458,535) of that restricted income and therefore a transfer has been made between restricted and unrestricted to represent this expense. The Federation does not consider there to be any further restriction on the use of these capital assets.

ERTP: As part of its commitment to the Eastern Region Training Partnership, the Federation holds the Partnership's funds within its bank account. Income is derived in part from annual subscriptions by signatories to the covenant which established the ERTP in 2008 and in part from a substantial grant to fund a Project Officer investigating lay training provision within the Eastern Region. This is a three year project for which the bulk of the money was received in advance.

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Tangible fixed assets	1,531,027	–	1,531,027
Current assets	180,356	32,674	213,030
Net assets	<u>1,711,383</u>	<u>32,674</u>	<u>1,744,057</u>

21. Leasing agreements

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	708	708
Later than 1 year and not later than 5 years	1,416	2,124
	<u>2,124</u>	<u>2,832</u>

During the year £1,555 lease payments were expensed to the profit and loss.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

22. Comparatives for the statement of financial activities

	2016		
	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments			
Donations and legacies	-	1,553,594	1,553,594
Charitable activities	671,308	130	671,438
Other trading activities	3,300	-	3,300
Investment income	234	-	234
Total income	<u>674,842</u>	<u>1,553,724</u>	<u>2,228,566</u>
Expenditure			
Expenditure on charitable activities	(706,153)	(75,918)	(782,071)
Total expenditure	<u>(706,153)</u>	<u>(75,918)</u>	<u>(782,071)</u>
Net income/(expenditure) before transfers	(31,311)	1,477,806	1,446,495
Transfer between funds	1,458,535	(1,458,535)	-
Net movement in funds	<u>1,427,224</u>	<u>19,271</u>	<u>1,446,495</u>
Reconciliation of funds			
Total funds brought forward	230,900	188,231	419,131
Total funds carried forward	<u>1,658,124</u>	<u>207,502</u>	<u>1,865,626</u>

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

23. Related party transactions

Donations received from Trustees totalled £10,000.