

COMPANY REGISTRATION NUMBER 04700056

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
COMPANY LIMITED BY GUARANTEE  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 2013**

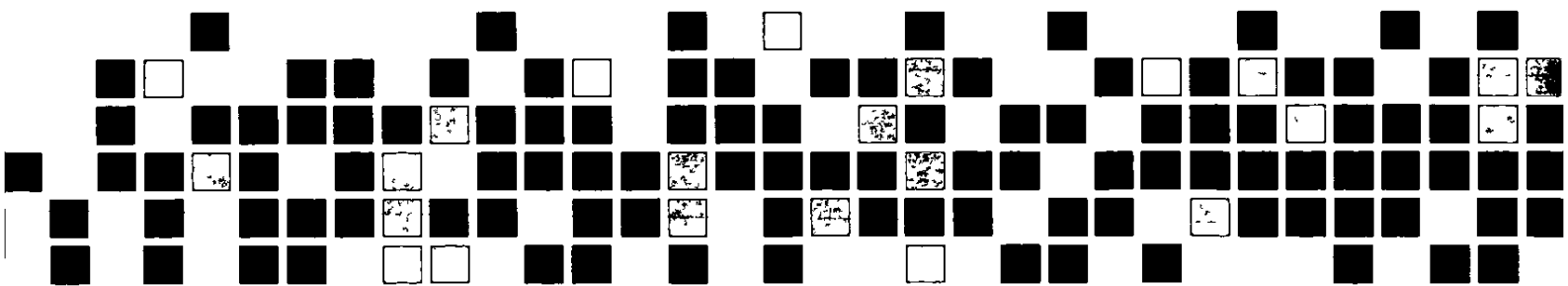
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Charity Number 1099953

**STREETS**  
CHARTERED ACCOUNTANTS



# **THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2013**

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# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

## MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

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**REGISTERED CHARITY NAME** The Cambridge Theological Federation

**CHARITY NUMBER** 1099953

**COMPANY REGISTRATION NUMBER** 04700056

**PRINCIPAL AND REGISTERED  
OFFICE**

Federation Executive Office  
Wesley House  
Jesus Lane  
Cambridge  
CB5 8BQ

**TRUSTEES**

Rev Dr Geoffrey Cook  
Rev Dr Susan Durber  
Prof David Frost  
Sally Livesey  
The Ven Hugh McCurdy  
Dr Carol Reekie  
Mr David Saunderson  
Rev Martin Seeley  
Gladys Bland  
Prof Sir Anthony Bottoms  
Rev Dr Ian McIntosh  
Rev Canon Andrew Norman  
Rev Prof David Thompson  
Dame Mary Tanner  
Prof Judith Lieu  
Rt Rev Stephen Conway  
Dr Oonagh O'Brien  
Rev Dr Jane Leach  
Mr John Harrison  
Ms Mae Mouk  
The Ven Trevor Jones

**SECRETARY**

Mrs Rowena May Small

**AUDITOR**

Streets Audit LLP  
Chartered Accountants  
& Statutory Auditor  
Charter House  
62-64 Hills Road  
Cambridge  
CB2 1LA

**BANKERS**

The Co-Operative Bank  
75 Burleigh Street  
Cambridge  
CB1 1DF

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# **THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES ANNUAL REPORT**

**YEAR ENDED 31 AUGUST 2013**

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The trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 August 2013

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements

### **THE TRUSTEES**

The trustees who served the company during the period were as follows

Rev Dr Geoffrey Cook  
Rev Dr Susan Durber  
Prof David Frost  
Sally Livesey  
The Ven Hugh McCurdy  
Dr Carol Reekie  
Mr David Saunderson  
Rev Martin Seeley  
Gladys Bland  
Prof Sir Anthony Bottoms  
Rev Dr Ian McIntosh  
Rev Canon Andrew Norman  
Rev Prof David Thompson  
Dame Mary Tanner  
Prof Judith Lieu  
Rt Rev Stephen Conway  
Dr Oonagh O'Brien  
Rev Dr Jane Leach

Mr John Harrison	(Appointed 12 March 2013)
Ms Mae Mouk	(Appointed 1 September 2012)
The Ven Trevor Jones	(Appointed 1 September 2012)

### **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 registered charity number is 1099953

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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The Full Members of the Cambridge Theological Federation are

Eastern Region Ministry Course	Ecumenical
Institute for Orthodox Christian Studies	Orthodox
Margaret Beaufort Institute of Theology	Roman Catholic
Ridley Hall	Anglican
Wesley House	Methodist
Westcott House	Anglican
Westminster College	United Reformed

The Associate Members are

Henry Martyn Centre for the Study of Mission and World Christianity  
Norwich Diocesan Ministry Course  
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. They delegate management to the Federation Management Committee, comprising the Principals of the Member Bodies and the Secretaries of the three main academic awards (FdA/BA, BTh and MA), 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, Rowena Small, who makes decisions with the guidance of the trustees as appropriate.

## 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 and courses through which people of different churches, including Anglican, Methodist, Orthodox, Reformed and Roman Catholic, train for various forms of Christian ministry and service. Its new Vision Statement, adopted in March 2010, states

"The Cambridge Theological Federation exists to serve the mission of God in the world, as that mission is expressed and worked out in the life of the Church. Our vision is centred in the transforming love of Christ, who is the Wisdom of God, and this vision is given life by the transforming power of the Holy Spirit of God. The form and content of our endeavours, therefore, are rooted in the life of God, whose self-giving activity is the joy of the Church and the hope of the world.

Our vision for today grows out of the Great Commission, out of the Vision statement held by the Federation since the early 1990s (see Appendix 5), and out of the fundamental purposes of the Federation as stated in our Memorandum and Articles of Association

- the advancement of the Christian faith,
- the advancement of religious, ecumenical education in accordance with the doctrine and principles of the Christian faith,
- the preparation of men and women for ordained or lay ministry and service within the Christian churches

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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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 in serving God's Kingdom across four key domains:

- Innovation and creativity for mission in today's world,
- Excellence and accessibility in education and formation for Christian ministries and discipleship,
- Distinctive contribution to the Church's ecumenical endeavour,
- Engagement with the world-wide Church and higher education in learning and scholarship "

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 2006. We believe that the Federation meets the requirement in the following ways:

- 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,
- by supporting the theological colleges which are members of the Federation in raising awareness of religious beliefs and practices,
- by providing education in accordance with the principles and practices of the Christian religion,
- by providing opportunities through Social Context Placements for members of the Federation to engage in prison, hospital and school chaplaincy work,
- by providing training for members of the Federation in pastoral and liturgical work both within and beyond faith communities,
- by providing opportunities for continuing ministerial education for ministers across the eastern region, through both formal educational programmes and training offered for placement supervisors, academic tutors and others.

## ACHIEVEMENTS AND PERFORMANCE

In accordance with its objects, the Federation has continued its principal activity of providing theological education and training for students of its Member Bodies and others from the East Anglia region. More than 600 students were registered with the Federation. The majority were studying for one or other of the awards listed below, but the total also includes exchange students visiting for one or more terms and others attending in-house courses run by the Federation's member institutions. Of those students engaged in full or part-time courses during the year the following completed their academic awards:

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

## TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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Through the University of Cambridge	
Certificate in Theology for Ministry (CTM)	16
Bachelor of Theology for Ministry	23
BA in Theology and Religious Studies (Tripos)	6
MPhil	2
MSt in The Study of Jewish-Christian Relations	6
PhD	2
Through Anglia Ruskin University	
BA (Hons) Christian Theology	24
FdA in Christian Theology	12
DipHE	18
CertHE	19
MA in Pastoral Theology	23
Postgraduate Diploma in Pastoral Theology	5
Postgraduate Certificate in Pastoral Theology	4
Professional Doctorate in Practical Theology	4

The new pattern of completion rates for the Federation's awards first noticed in 2011-12 -that an increasing number of students chose to leave their studies at an earlier stage - has been repeated for the undergraduate awards. So the numbers exiting with a DipHE or CertHE are again significant. For many students this will have coincided with the transition from full-time residential training into a curacy or other first post.

A new MA programme was introduced, the MA in Christian Theology. With particular emphases on mission, doctrine and biblical studies, the programme attracted 12 students in its first year. All of these were studying part-time, so the first graduates are not expected until the summer of 2014.

The Federation's research student numbers continued to grow, with three more DProf students joining the Hong Kong cohort as part of a total of sixteen new research students.

The Maurice & Hilda Laing Trust responded positively to the Estates Review which they had funded, encouraging the Federation to undertake some more scoping work on the eight areas it had identified as priorities for future development. This work is still on-going.

Following an internal review of its ministerial and lay training, the Diocese of Norwich closed the Diocesan Ministry Course in July 2013. This was the second member institution to leave the Federation, although students already in training transferred to the Eastern Region Ministry Course.

## FINANCIAL REVIEW

The Federation's income rose for the second year in a row, exceeding £1 million for the first time. This was largely due, however, to an increased "through-put" of funds collected from its member institutions and passed on to its partner universities. It does not relate to any significant increase in activity by the Federation, although funds directly derived from students undertaking one or other of the Federation's main awards also increased.

Voluntary income returned to its more usual level, but the Federation was pleased to be granted further funding from the Maurice & Hilda Laing Trust to facilitate a review of the Federation's estates.

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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On the expenditure side, staff costs fell because of the departure of the BA Director in April 2013. The post was held vacant during the remainder of the financial year, apart from limited cover during the main assessment period in May/June. It was filled on a part-time basis with effect from September 2013.

In discussion with the auditors, some work has been undertaken on the classification of expenditure by fund type. A more detailed division of support costs has enabled the transfer of those relating directly to the Federation's primary activity of theological education and training out of the more general support costs category. This provides a more accurate picture of the Federation's operations.

The Federation incurred significant expenditure in terms of governance costs in 2012/13. This was primarily due to changes in Government legislation regarding the provision of student finance. The Federation will be required to undergo a review by the Quality Assurance Agency during 2013/14, but the process began in the 2012/13 financial year. The total cost (c£20,000) therefore falls in the period covered by this Report.

One other significant increase is in the level of debtors at year end. The most significant of these is a sum of just over £85,000 owed by one of the Federation's partner universities. This represents the agreed transfer of funds relating to post-graduate students, which was not completed by the financial year end. It is worth noting that all of the significant debts (£1,000 or more) have now been settled.

The Federation has continued to pay into the sinking fund for the planned replacement of the six servers that were not replaced in the previous year.

Some work was undertaken on the Reserves Policy during the year to clarify which items of expenditure should be used as the basis of calculation. In consultation with the Federation's auditors, it was agreed that these should primarily be the day-to-day running costs. The cost savings made during the year and the higher than predicted income level have helped move the Federation to a stronger position with regards to its policy and at the end of the financial year the Reserves exceeded 3 months' running costs for the first time since the Policy was introduced.

The Risk Register was up-dated by the Federation Governing Council at its June meeting to include the following new risks:

Financial Risks	Pension liabilities
Operational Risks	Inadequate resourcing: addition of insufficient number and/or size of teaching rooms
Operational Risks	Effect of exam appeals on relationship with partner universities
Governance Risks	End of term of office of Independent governors

Extending its work on financial transparency and planning, the Post-graduate Awards business plan was revised and a small working party was set up to work on an overall business plan for the Federation as a whole. The Resources Committee also drew up a schedule of financial policies and procedures, collecting the information into a single document for the first time.



# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2013

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## PLANS FOR FUTURE PERIODS

The Federation is continuing its preparations for the planned transfer of students to awards validated by the University of Durham. It will be inspected in January 2014 by the University and, if successful, will transfer the majority of its students onto the new programmes from September 2014. The Ministry Division of the Church of England granted exemption for the University of Cambridge's BA (Tripos), Bachelor of Theology for Ministry (BTh) and Certificate in Theology for Ministry (CTM), which will continue to be recognised as appropriate vehicles for ministerial training, and for the Federation's two MA programmes.

Recent changes in national legislation mean that the Federation will be taking on a number of roles in relation to its students which were formerly undertaken by its partner universities. These relate to both financial matters - particularly in relation to student loans - and to immigration policy. The Federation will therefore be the focus of a series of inspections and reviews from external bodies during 2013/14, including the Quality Assurance Agency, the Higher Education Funding Council for England and the UK Border Agency.

The 'Tanner' Working Party, set up to consider the role and purpose of the Governing Council, sent its interim report out for consultation within the Federation's member institutions in early 2013 and the final report was adopted by the Governing Council in June.

Finally, the Federation's offices will be re-locating in the summer of 2014 as a result of the re-organization of the Wesley House site. The new premises will be within another of the member institutions, the Margaret Beaufort Institute of Theology.

## TRUSTEES' RESPONSIBILITIES STATEMENT

The trustees (who are also the directors of the Cambridge Theological Federation for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the income and expenditure of the company for that period.

In preparing these financial statements, the trustees are required to

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

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

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES ANNUAL REPORT** *(continued)*

**YEAR ENDED 31 AUGUST 2013**

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**AUDITOR**

Streets Audit LLP are deemed to be re-appointed under section 144 of the Charities Act 2011

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

so far as each trustee is aware there is no relevant audit information of which the company's auditor is unaware and

each trustee has 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 company'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

Signed by order of the trustees



Mrs Rowena May Small  
Company Secretary

7-2-14

# **THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE THEOLOGICAL FEDERATION**

**YEAR ENDED 31 AUGUST 2013**

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We have audited the financial statements of the Cambridge Theological Federation for the year ended 31 August 2013 on pages 11 to 19. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 2011 rather than the Companies Act 2006. Accordingly we have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

### **OPINION ON FINANCIAL STATEMENTS**

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE  
THEOLOGICAL FEDERATION** *(continued)*

**YEAR ENDED 31 AUGUST 2013**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion

- the information given in the Trustees Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company has not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit, 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 exemption in preparing the Trustees Annual Report

*Streets Audit LLP*

STREETS AUDIT LLP  
Chartered Accountants & Statutory Auditor

Charter House  
62-64 Hills Road  
Cambridge  
CB2 1LA

*20/2/14*

Streets Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND  
EXPENDITURE ACCOUNT)**

**YEAR ENDED 31 AUGUST 2013**

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>INCOMING RESOURCES</b>					
Incoming resources from generating funds					
Voluntary income	2	1,137	–	1,137	4,360
Investment income	3	666	–	666	555
Incoming resources from charitable activities	4	<u>1,004,691</u>	<u>53,789</u>	<u>1,058,480</u>	<u>980,185</u>
<b>TOTAL INCOMING RESOURCES</b>		<u>1,006,494</u>	<u>53,789</u>	<u>1,060,283</u>	<u>985,100</u>
<b>RESOURCES EXPENDED</b>					
Charitable activities	5/6	(948,898)	(55,587)	(1,004,485)	(921,414)
Governance costs	7	<u>(31,629)</u>	<u>–</u>	<u>(31,629)</u>	<u>(5,750)</u>
<b>TOTAL RESOURCES EXPENDED</b>		<u>(980,527)</u>	<u>(55,587)</u>	<u>(1,036,114)</u>	<u>(927,164)</u>
<b>NET INCOMING RESOURCES FOR THE YEAR/NET INCOME FOR THE YEAR</b>	8	25,967	(1,798)	24,169	57,936
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>106,324</u>	<u>70,352</u>	<u>176,676</u>	<u>118,738</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>132,291</u>	<u>68,554</u>	<u>200,845</u>	<u>176,674</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 13 to 19 form part of these financial statements.

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
COMPANY LIMITED BY GUARANTEE**

**BALANCE SHEET**

**31 AUGUST 2013**

	Note	£	2013 £	2012 £
<b>FIXED ASSETS</b>				
Tangible assets	10		1,565	2,459
<b>CURRENT ASSETS</b>				
Stocks	11	457		521
Debtors	12	110,712		35,956
Cash at bank and in hand		164,126		199,063
		275,295		235,540
<b>CREDITORS: Amounts falling due within one year</b>	13	(76,015)		(61,323)
<b>NET CURRENT ASSETS</b>			199,280	174,217
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			200,845	176,676
<b>NET ASSETS</b>			200,845	176,676
<b>FUNDS</b>				
Restricted income funds	15		68,554	70,352
Unrestricted income funds	16		132,291	106,324
<b>TOTAL FUNDS</b>			200,845	176,676

For the year ended 31 August 2013 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies but as this company is a charity, it is subject to audit under the Charities Act 2011

Trustees' responsibilities

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476, and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the members of the committee and authorised for issue on the 2/12/13 and are signed on their behalf by

  
Rev Prof David Thompson

Company Registration Number 04700056

The notes on pages 13 to 19 form part of these financial statements.

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), and the requirements of the Statement of Recommended Practice 'Accounting and Reporting by Charities' issued in March 2005 (SORP 2005)

The Federation, along with its members, currently faces many uncertainties and its future course depends upon decisions yet to be made by its members, university partners, the parent churches, and not least the government. One of several possible outcomes could be that the Federation ceases to exist as an independent charity. The Trustees do not think this is the most likely outcome and accordingly these accounts have been prepared on the going concern basis and do not reflect the accounting entries that would need to be made if that scenario were to come about.

#### **Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of restricted funds are set out in the notes to the accounts.

#### **Incoming resources**

Incoming resources are accounted for on a receivable basis.

#### **Resources expended**

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in furtherance of the charity's objectives and represents the cost of goods and services and ancillary trading costs that have been incurred in charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include accountancy fees and costs linked to the strategic management of the charity.

#### **Fixed assets**

All fixed assets are initially recorded at cost. Assets costing over £500 and having an expected life greater than one year are capitalised.

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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### 1. ACCOUNTING POLICIES *(continued)*

#### Depreciation

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

Office equipment                      - 25% reducing balance

#### Stocks

Stocks are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. Cost is based on purchase price.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Pension costs

The company operates a defined contribution pension 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.

#### Value added tax

As the Federation's activities are classified as exempt or non-business activities for the purposes of value added tax, the Federation is unable to reclaim the value added tax which it incurs on its purchases. Expenditure in these financial statements is therefore shown inclusive of value added tax.

### 2. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
<b>Donations</b>			
Donations & other income	<u>1,137</u>	<u>1,137</u>	<u>4,360</u>

### 3. INVESTMENT INCOME

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Bank interest receivable	<u>666</u>	<u>666</u>	<u>555</u>



**THE CAMBRIDGE THEOLOGICAL FEDERATION  
COMPANY LIMITED BY GUARANTEE**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2013**

**4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Strategic Review Grant	-	-	-	24,000
Library fees and fines	876	-	876	559
Per capita levy	171,074	-	171,074	192,264
BTh fees	31,680	-	31,680	28,600
CTM fees	17,382	-	17,382	10,063
MA fees	67,578	-	67,578	63,902
BA funding from Anglia Ruskin	179,895	-	179,895	219,002
BTh funding from University of Cambridge	286,789	-	286,789	197,550
Professional Doctorate Fees	85,826	-	85,826	62,782
Validation fee for FdA/BA students	37,538	-	37,538	-
Estates review	-	45,000	45,000	-
Summer Schools	11,848	-	11,848	-
Study Skills Tuition	3,204	-	3,204	5,983
Membership fees	6,160	-	6,160	5,430
ERTP Income	-	8,789	8,789	40,427
BA fees	87,501	-	87,501	112,728
Social context placement fees	6,930	-	6,930	7,205
January intensives fees	10,410	-	10,410	9,690
	<u>1,004,691</u>	<u>53,789</u>	<u>1,058,480</u>	<u>980,185</u>

**5. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE**

	Unrestricted Funds £	Restricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Theological education and training	837,247	-	837,247	750,686
Support costs	<u>111,651</u>	<u>55,587</u>	<u>167,238</u>	<u>170,728</u>
	<u>948,898</u>	<u>55,587</u>	<u>1,004,485</u>	<u>921,414</u>

**6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Activities undertaken directly £	Support costs £	Total Funds 2013 £	Total Funds 2012 £
Theological education and training	<u>837,247</u>	<u>167,238</u>	<u>1,004,485</u>	<u>921,414</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2013**

**7. GOVERNANCE COSTS**

	Unrestricted Funds £	Total Funds 2013 £	Total Funds 2012 £
Audit fees	5,280	5,280	5,750
Legal and professional fees	26,349	26,349	–
	<u>31,629</u>	<u>31,629</u>	<u>5,750</u>

**8. NET INCOMING RESOURCES FOR THE YEAR**

This is stated after charging

	2013 £	2012 £
Staff pension contributions	19,624	20,179
Depreciation	895	1,069
Auditors' fees	<u>5,280</u>	<u>5,750</u>

**9. STAFF COSTS AND EMOLUMENTS**

Total staff costs were as follows:

	2013 £	2012 £
Wages and salaries	229,106	244,173
Social security costs	20,055	24,320
Other pension costs	<u>19,624</u>	<u>20,179</u>
	<u>268,785</u>	<u>288,672</u>

**Particulars of employees:**

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2013 No	2012 No
Number of staff	<u>9</u>	<u>9</u>

No employee received remuneration of more than £60,000 during the year (2012 - Nil)

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2013**

**10. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery etc.</b>
	<b>£</b>
<b>COST</b>	
At 1 September 2012 and 31 August 2013	<u>22,367</u>
<b>DEPRECIATION</b>	
At 1 September 2012	19,908
Charge for the year	894
At 31 August 2013	<u>20,802</u>
<b>NET BOOK VALUE</b>	
At 31 August 2013	<u>1,565</u>
At 31 August 2012	<u>2,459</u>

**11. STOCKS**

	2013	2012
	£	£
Goods for resale	<u>457</u>	<u>521</u>

**12. DEBTORS**

	2013	2012
	£	£
Trade debtors	95,533	5,248
Other debtors	1,276	25,276
Prepayments	13,903	5,432
	<u>110,712</u>	<u>35,956</u>

**13. CREDITORS: Amounts falling due within one year**

	2013	2012
	£	£
Trade creditors	39,624	27,963
PAYE and social security	5,408	6,119
Other creditors	30,983	27,241
	<u>76,015</u>	<u>61,323</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION  
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**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2013**

**14. COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2013 £	2012 £
<b>Operating leases which expire:</b>		
Within 2 to 5 years	<u>1,656</u>	<u>1,656</u>

**15. RESTRICTED INCOME FUNDS**

	Balance at 1 Sep 2012 £	Incoming resources £	Outgoing resources £	Balance at 31 Aug 2013 £
Estates review	-	45,000	(45,000)	-
Eastern Region Training Partnership	<u>70,352</u>	<u>8,789</u>	<u>(10,587)</u>	<u>68,554</u>
	<u>70,352</u>	<u>53,789</u>	<u>(55,587)</u>	<u>68,554</u>

Estates Review Grant This grant from the Maurice and Hilda Laing Charitable Trust was given to fund an internal review of the Federation's activities

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

**16 UNRESTRICTED INCOME FUNDS**

	Balance at 1 Sep 2012 £	Incoming resources £	Outgoing resources £	Transfers £	Balance at 31 Aug 2013 £
Major projects	2,918	-	-	-	2,918
E-Learning project	122	-	-	-	122
Sinking fund to replace servers	413	-	-	500	913
General Funds	<u>102,871</u>	<u>1,006,494</u>	<u>(980,527)</u>	<u>(500)</u>	<u>128,338</u>
	<u>106,324</u>	<u>1,006,494</u>	<u>(980,527)</u>	<u>-</u>	<u>132,291</u>

# THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2013

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### 16. UNRESTRICTED INCOME FUNDS *(continued)*

#### 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

#### E-Learning project

This fund was established in April 2008 to develop e-learning within the Federation and, in particular, to prepare a new module in Study Skills for the BA in Christian Theology. During 2010-11 it was used to meet the costs of a consultant appointed to work with Federation academic staff and others to adapt existing modules in the Anglia Ruskin University awards for delivery by distance learning.

#### Sinking fund

This fund was established by the Federation Management Committee in April 2011 to fund the replacement of the servers which run its computer network. The servers are shared with some of the member institutions, so the Federation's contribution forms only part of the total costs. Three servers were replaced in 2011/12 and it is expected that the remaining five will be replaced in a rolling programme over the next five years.

### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
<b>Restricted Income Funds:</b>			
Eastern Region Training Partnership	-	68,554	68,554
<b>Unrestricted Income Funds</b>	<b>1,565</b>	<b>130,726</b>	<b>132,291</b>
<b>Total Funds</b>	<b>1,565</b>	<b>199,280</b>	<b>200,845</b>

### 18. COMPANY LIMITED BY GUARANTEE

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