

COMPANY REGISTRATION NUMBER: 04700056
CHARITY REGISTRATION NUMBER: 1099953

**The Cambridge Theological Federation
Company Limited by Guarantee
Financial Statements
31 August 2016**

CHATER ALLAN LLP

Chartered accountants & statutory auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

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The Cambridge Theological Federation

Company Limited by Guarantee

Financial Statements

Year ended 31 August 2016

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The Cambridge Theological Federation

Company Limited by Guarantee

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

Year ended 31 August 2016

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 2016.

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

The trustees

Dame Mary Tanner (Chair)
Professor John Bell
Dr Ian Randall
Mr John Harrison (resigned 30.11.2016 – deceased)
Rev'd Neil Thorogood (President)
Rev'd Nigel Uden
Rt Rev'd Stephen Conway
Rev'd Dr Jane Leach
Professor Judith Lieu
Rev'd Canon Andrew Norman (resigned 21.02.2017)
The Ven Hugh McCurdy
Dr Oonagh O'Brien
Mrs Roberta Canning
Mrs Carol Reekie (resigned 09.09.2016)
Rev'd Dr Alex Jensen (appointed 01.01.2016)
Dr Ian Randall (appointed 31.03.2016)
Rev'd Canon Chris Chivers (appointed 01.01.2016)
Rt Rev'd Richard Atkinson (appointed 14.09.2016)
Miss Gladys Bland (resigned 30.03.2016, re-appointed 21.09.2016)
Mr Paul Arnold (appointed 11.11.2016)
Fr Dragos Herescu (appointed 22.02.2017)
Rev'd Dr Michael Volland (appointed 22.02.2017)
Mrs Sally Livesey (resigned 30.03.2016)
Ms Laura Fawcett (resigned 30.03.2016)
Venerable Trevor Jones (resigned 30.03.2016)
Rev'd Dr Ian McIntosh (resigned 31.08.2016)
Professor David Frost (resigned 30.04.2016)

The Cambridge Theological Federation

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

Year ended 31 August 2016

Company secretary	Mrs Sharon Williamson
Auditor	Chater Allan LLP Chartered accountants & statutory auditors Beech House 4a Newmarket Road Cambridge CB5 8DT
Accountancy and payroll	Bidwells LLP Bidwell House Trumpington Road Cambridge CB2 9LD
Bankers	Barclays Plc P O Box No2 Cambridge CB2 3PZ

The Cambridge Theological Federation

Company Limited by Guarantee

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

Year ended 31 August 2016

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:

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

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

- Woolf Institute
- Cambridge Centre for Christianity Worldwide

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 of 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.

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

The Remuneration group comprises the Treasurer, the President, the previous President and the Vice-President.

The Cambridge Theological Federation

Company Limited by Guarantee

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

Year ended 31 August 2016

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

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

Year ended 31 August 2016

- 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 2015-16; 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):	33
Diploma in Theology for Ministry (DTM):	3
BA in Theology and Religious Studies (Tripos):	11
MPhil/PhD	5

Through Anglia Ruskin University:

BA (Hons) Christian Theology:	2
MA in Christian Theology:	2
MA in Pastoral Theology:	21
Professional Doctorate in Practical Theology:	48
PhD/MPhil:	10

Through Durham University ("the Common Awards"):

Certificate in Theology, Ministry and Mission:	38
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:	35
PG Certificate in Theology, Ministry and Mission:	6
PG Diploma in Theology, Ministry and Mission:	1
MA in Theology, Ministry and Mission:	33

Through other universities:

PhD:	5
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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 2016

Financial review

The Federation's total incoming resources from charitable activities for the year amounted to £671,438 (2015: £653,910). Of that amount, income from the Federation's management of the registry activities in relation to the students attached to the Federation amounted to £671,308 (2015: £653,910). Included in Donations and Legacies is a grant of £1,553,594 (2015: Donations and legacies £4,596) received from the Maurice & Hilda Laing Trust in support of new offices for the Federation. The grant also funds the work of the Executive Director of the Federation in furtherance of the development of a research strategy and improving educational and administrative capabilities.

The costs of charitable activities amounted to £782,871 (2015: £750,106) of which £592,141 (2015: £627,267) related to direct costs and £189,930 (2015: £153,048) related to support costs. This included Governance costs of £31,132 (2015: £30,409) and included £29,725 (2015: £23,749) for legal and professional fees in relation to the new Federation offices. Staff costs, including pension and social security costs, were £312,604 (2015: £271,664)

Net current assets at the end of the year amounted to £330,203 (2015: £328,864). Total funds were £1,865,626 of which unrestricted funds amounted to £1,658,124 (2015: £230,900) and restricted funds amounted to £207,502 (2015: £188,231).

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 31.08.16, free reserves were £122,701.

Risk management

The Trustees have assessed the major risks to which the Federation is exposed, in particular those related to the operation and finances of the Federation, and are satisfied that systems are in place to mitigate our exposure to the major risks.

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

The Cambridge Theological Federation

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

Year ended 31 August 2016

Agency (HESA) on student numbers, the Destinations of Leavers from Higher Education (DLHE) and the National Students Survey (NSS).

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 trustees' annual report was approved on 21.04.2017 and signed on behalf of the board of trustees by:



Mrs Sharon Williamson
Charity Secretary

The Cambridge Theological Federation

Company Limited by Guarantee

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

Year ended 31 August 2016

We have audited the financial statements of The Cambridge Theological Federation for the year ended 31 August 2016 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of trustees and auditor

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. 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 charity'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' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charity's affairs as at 31 August 2016 and of its income and expenditure, for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
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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 2016

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Graham Michael David Day (Senior Statutory Auditor)

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

22 June 2017

The Cambridge Theological Federation

Company Limited by Guarantee

Statement of Financial Activities (including income and expenditure account)

31 August 2016

		2016	2016	2015
	Note	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments				
Donations and legacies	5	–	1,553,594	1,553,594
Charitable activities	6	671,308	130	671,438
Other trading activities	7	3,300	–	3,300
Investment income	8	234	–	234
Total income		<u>674,842</u>	<u>1,553,724</u>	<u>2,228,566</u>
Expenditure				
Expenditure on charitable activities	9	(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.

The notes on pages 12 to 23 form part of these financial statements.

The Cambridge Theological Federation

Company Limited by Guarantee

Statement of Financial Position

31 August 2016

COMPANY REGISTRATION NUMBER: 04700056
CHARITY REGISTRATION NUMBER: 1099953

		2016 £	2015 £
Fixed assets			
Tangible fixed assets	15	1,535,423	90,267
Current assets			
Debtors	16	262,837	87,013
Cash at bank and in hand		147,457	331,912
		<u>410,294</u>	<u>418,925</u>
Creditors: amounts falling due within one year	17	<u>80,091</u>	<u>90,061</u>
Net current assets		<u>330,203</u>	<u>328,864</u>
Total assets less current liabilities		<u>1,865,626</u>	<u>419,131</u>
Net assets		<u>1,865,626</u>	<u>419,131</u>
Funds of the charity			
Restricted funds		207,502	188,231
Unrestricted funds		<u>1,658,124</u>	<u>230,900</u>
Total charity funds	19	<u>1,865,626</u>	<u>419,131</u>

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 ~~21.06.2017~~ 2017, and are signed on behalf of the board by:

Mary Tanner

Dame Mary Tanner
Trustee

The notes on pages 12 to 23 form part of these financial statements.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements

Year ended 31 August 2016

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)) and the Charities Act 2011.

3. Accounting policies

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 measured at fair value through income or expenditure.

The charity meets the definition of a public benefit entity under FRS 102.

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.

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.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

3. Accounting policies *(continued)*

Income

All incoming resources are 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.

Expenditure

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 2016

3. Accounting policies *(continued)*

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

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.

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

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.

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.

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.

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.

The Cambridge Theological Federation

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Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

5. Donations and legacies

	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>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Donations			
Donations & other income	4,596	-	4,596
Grants			
Grants	-	-	-
	<u>4,596</u>	<u>-</u>	<u>4,596</u>

6. Income from Charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Theological education and training	671,308	130	671,438

	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Theological education and training	653,910	296,759	950,669

7. Other trading activities

	Unrestricted Funds £	Total Funds 2016 £	Unrestricted Funds £	Total Funds 2015 £
Letting	3,300	3,300	-	-

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

8. Investment income

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Bank interest receivable	234	—	234
	<u>234</u>	<u>—</u>	<u>234</u>
	Unrestricted Funds £	Restricted Funds £	Total Funds 2015 £
Bank interest receivable	229	68	297
	<u>229</u>	<u>68</u>	<u>297</u>

9. Expenditure on charitable activities by activity type

	Activities undertaken directly £	Support costs £	Total funds 2016 £	Total fund 2015 £
Theological education and training	592,141	189,930	782,071	780,515
	<u>592,141</u>	<u>189,930</u>	<u>782,071</u>	<u>780,515</u>

10. Analysis of support costs

	Support costs £	Total 2016 £	Total 2015 £
Staff costs	128,861	128,861	61,757
Premises	8,563	8,563	32,460
General office	21,374	21,374	28,422
Governance	31,132	31,132	30,409
	<u>189,930</u>	<u>189,930</u>	<u>153,048</u>

11. Net income

Net income is stated after charging/(crediting):

	2016 £	2015 £
Depreciation of tangible fixed assets	13,379	294
	<u>13,379</u>	<u>294</u>

12. Auditors remuneration

	2016 £	2015 £
Fees payable for the audit of the financial statements	6,870	6,660
	<u>6,870</u>	<u>6,660</u>

The Cambridge Theological Federation

Company Limited by Guarantee

Notes to the Financial Statements *(continued)*

Year ended 31 August 2016

13. Staff costs

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

	2016	2015
	£	£
Wages and salaries	277,414	239,375
Social security costs	18,848	17,955
Employer contributions to pension plans	16,342	14,334
	<u>312,604</u>	<u>271,664</u>

The average head count of employees during the year was 10 (2015: 9).

No employee received employee benefits of more than £60,000 during the year (2015: Nil).

During the year, three trustees received reimbursement of expenses totalling £370 (2015: £nil).

During the year remuneration received by key management personnel totalled £99,963.

14. Trustee remuneration and expenses

The Trustees received no remuneration or expenses (2015 £Nil) during the year.

15. Tangible fixed assets

	Long leasehold property £	Equipment £	Total £
Cost			
At 1 September 2015	89,388	22,367	111,755
Additions	1,426,107	32,428	1,458,535
At 31 August 2016	<u>1,515,495</u>	<u>54,795</u>	<u>1,570,290</u>
Depreciation			
At 1 September 2015	–	21,488	21,488
Charge for the year	5,052	8,327	13,379
At 31 August 2016	<u>5,052</u>	<u>29,815</u>	<u>34,867</u>
Carrying amount			
At 31 August 2016	<u>1,510,443</u>	<u>24,980</u>	<u>1,535,423</u>
At 31 August 2015	<u>89,388</u>	<u>879</u>	<u>90,267</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.

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16. Debtors

	2016	2015
	£	£
Trade debtors	57,350	56,325
Other debtors	205,487	30,688
	<u>262,837</u>	<u>87,013</u>

17. Creditors: amounts falling due within one year

	2016	2015
	£	£
Trade creditors	23,159	19,132
Social security and other taxes	4,563	5,856
Other creditors	52,369	65,073
	<u>80,091</u>	<u>90,061</u>

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

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contribution scheme. The pensions costs charged to the SoFA in the year are contributions are £16,342 (2015: £14,334).

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 2013. This revealed, on the ongoing assumptions used, a surplus of £0.5m. 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.

19. Analysis of charitable funds

Unrestricted funds

	At 1 September 2015 £	Income £	Expenditure £	Transfers £	At 31 August 2016 £
General funds	226,947	674,842	(706,153)	1,458,657	1,654,293
Designated Funds:					
Major projects	2,918	–	–	–	2,918
E-Learning project	122	–	–	(122)	–
Sinking fund to replace servers	913	–	–	–	913
	<u>230,900</u>	<u>674,842</u>	<u>(706,153)</u>	<u>1,458,535</u>	<u>1,658,124</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.

E-Learning project

The balance in this fund has been rolled over into the operating account.

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. Servers are replaced on a rolling basis.

Restricted funds

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Year ended 31 August 2016

	At 1 September 2015 £	Income £	Expenditure £	Transfers £	At 31 August 2016 £
Eastern Region Training Partnership	58,276	130	(5,006)	–	53,400
Laing grant	129,955	1,553,594	(70,912)	(1,458,535)	154,102
	<u>188,231</u>	<u>1,553,724</u>	<u>(75,918)</u>	<u>(1,458,535)</u>	<u>207,502</u>

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.

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 £1,458,535 (2015: £89,388) 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.

20. Analysis of net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £
Tangible fixed assets	1,535,423	–	1,535,423
Current assets	122,701	207,502	330,203
Net assets	<u>1,658,124</u>	<u>207,502</u>	<u>1,865,626</u>

21. Leasing agreements

Minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not later than 1 year	708	6,138
Later than 1 year and not later than 5 years	2,124	–
	<u>2,832</u>	<u>6,138</u>

22. Comparatives for the statement of financial activities

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Year ended 31 August 2016

	2015		
	Unrestricted funds £	Restricted funds £	Total funds £
Income and endowments			
Donations and legacies	4,596	–	4,596
Charitable activities	653,910	296,759	950,669
Investment income	229	68	297
Total income	<u>658,735</u>	<u>296,827</u>	<u>955,562</u>
Expenditure			
Expenditure on charitable activities	(679,539)	(100,976)	(780,515)
Total expenditure	<u>(679,539)</u>	<u>(100,976)</u>	<u>(780,515)</u>
Net income/(expenditure) before transfers	(20,804)	195,851	175,047
Transfer between funds	89,388	(89,388)	–
Net movement in funds	<u>68,584</u>	<u>106,463</u>	<u>175,047</u>
Reconciliation of funds			
Total funds brought forward	162,316	81,768	244,084
Total funds carried forward	<u>230,900</u>	<u>188,231</u>	<u>419,131</u>

23. Related party transactions

There are no related party transactions which need disclosure.

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Year ended 31 August 2016

	2016 £	2015 £
Cash flows from operating activities		
Net income	1,446,495	175,047
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	13,379	294
Other interest receivable and similar income	(234)	(297)
Interest payable and similar charges	396	–
<i>Changes in:</i>		
Stocks	–	412
Trade and other debtors	(175,824)	(54,710)
Trade and other creditors	(9,970)	(26,218)
Cash generated from operations	<u>1,274,242</u>	<u>94,528</u>
Interest paid	(396)	–
Interest received	234	297
Net cash from operating activities	<u>1,274,080</u>	<u>94,825</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,458,535)	(89,388)
Net cash used in investing activities	<u>(1,458,535)</u>	<u>(89,388)</u>
Net (decrease)/increase in cash and cash equivalents	(184,455)	5,437
Cash and cash equivalents at beginning of year	<u>331,912</u>	<u>326,475</u>
Cash and cash equivalents at end of year	<u>147,457</u>	<u>331,912</u>
