



THE CAMBRIDGE THEOLOGICAL FEDERATION

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2019

**Registered Charity Number: 1099953
Company registration Number: 04700056**

**THE CAMBRIDGE THEOLOGICAL FEDERATION
REPORT AND FINANCIAL STATEMENTS 2019**

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**THE CAMBRIDGE THEOLOGICAL FEDERATION
REPORT AND FINANCIAL STATEMENTS 2019
LEGAL AND ADMINISTRATIVE DETAILS**

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 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Cambridge Theological Federation
Charity registration number	1099953
Company registration number	4700056
Principal and registered office	The Bounds Westminster College Lady Margaret Road Cambridge, CB3 0BJ

Trustees

Dr Anna Abram	
Professor John Bell	Chair
Dr Andrew Cates	
Rev Dragos Herescu	
Rev Dr Michael Volland	Resigned 22 November 2018; Re-appointed 23 July 2019
Roberta Canning	Resigned 22 November 2018
Rev Canon Chris Chivers	Resigned 23 July 2019
Rt Rev Stephen Conway	Resigned 26 November 2018
Dr Christopher Grogan	Resigned 22 November 2018
Rev Dr Stuart Jordan	Resigned 22 November 2018
Rev Dr Jane Leach	Resigned 22 November 2018
Sam Lohead	Resigned 22 November 2018
The Ven Hugh McCurdy	Resigned 23 November 2018
Very Rev Archpriest Stephen Platt	Resigned 23 November 2018
Rev Neil Thorogood	Resigned 23 November 2018
Rev Nigel Uden	Resigned 22 November 2018

COMPANY SECRETARY

Alastair Oatey

AUDITORS

Chater Allan LLP
Chartered Accountants & Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT

**THE CAMBRIDGE THEOLOGICAL FEDERATION
REPORT AND FINANCIAL STATEMENTS 2019
LEGAL AND ADMINISTRATIVE DETAILS**

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

ACCOUNTANCY AND PAYROLL

Bidwells LLP
Bidwell House
Trumpington Road
Cambridge
CB2 9LD

BANKERS

Barclays PLC
PO Box No2
Cambridge
CB3 3PZ

INTRODUCTION

The Cambridge Theological Federation, formed in 1972, is an ecumenical collaboration between eleven colleges and institutions who teach theology in Cambridge. The member institutions together fund the Federation and through it are able to offer their students access to degrees through Anglia Ruskin University, Durham University and the University of Cambridge.

The Federation is registered with the Office for Students which enables us to offer student loans and to be registered with the Home Office to sponsor Tier 4 student visas. Registration with OfS brings a wide range of regulatory responsibilities including reporting to, and assessment by, the Quality Assurance Agency.

Students have a complex set of contractual arrangements. Most students are admitted through one of the member institutions and so are members of that House. They become students of the Federation as well as some being a student of the validating University. BTh students also matriculate with one of the Cambridge Colleges. There are some students who are directly admitted as Federation students and so only have contracts with the Federation and the relevant University.

The Federation employs a small central team at its Bounds House office that provides administrative support and a central Information Services function but it does not employ any teaching staff. All teaching and assessment of Federation students is provided by staff employed by the member institutions and independent scholars who are, for the most part, ordained practitioners skilled in both research and progressive teaching methodology. The Director of Professional Doctorate is an employee of Anglia Ruskin University, though primarily based with the Bounds House team.

More details about the Federation can be found at www.theofed.cam.ac.uk

THE CAMBRIDGE THEOLOGICAL FEDERATION
REPORT AND FINANCIAL STATEMENTS 2019
LEGAL AND ADMINISTRATIVE DETAILS

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

STATEMENT OF PURPOSE

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.

Member Institutions

The Federation has seven Member Institutions and four Associate Institutions:

Member Bodies

- | | |
|--|------------------------|
| • 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 |
| • Westfield House | Lutheran |
| • Westminster College | United Reformed Church |

Associate Institutions

- | | |
|---|-------------------|
| • Cambridge Centre for Christianity Worldwide | |
| • Eastern Region Ministry Course | Church of England |
| • The Farady Trust | Church of England |
| • Woolf Institute | |

KEY MANAGEMENT PERSONNEL

Alastair Oatey, Chief Operating Officer, was the key management person in the year to whom day to day responsibility was delegated for the Federation's effective management.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2019**

OBJECTIVES AND ACTIVITIES (continued)

During the year the Quality Assurance Agency for Higher Education undertook an annual monitoring visit to assess progress in implementing the action plan following the full review in May 2017. The outcome of the visit was confirmation that the Federation "is making acceptable progress with continuing to monitor, review and enhance its higher education provision since the May 2018 monitoring visit".

A major achievement in the year was the launch of four new MA degrees with Anglia Ruskin University. The MAs are in Contemporary Ethics, Contemporary Faith and Belief, Pastoral Care and Chaplaincy, and Spirituality. Each of the courses is also available as a Postgraduate Certificate or a Postgraduate Diploma. They are available full-time and part-time and by classroom and online teaching. These MAs will enable the Federation to increase its reach and impact as the MAs are not restricted to those preparing for Ministry and Mission.

Strategic Plan

Following a review of the 2017-2022 Strategic Plan in July 2019, the Members agreed that the following four strategic priorities remain current:

- 1 To provide students of the Federation with a high quality learning experience that is supported by a research culture.
- 2 To improve the student experience and understanding of ecumenical and interfaith engagement at local, national and global levels.
- 3 To improve our teaching and learning and social facilities to support an improved student experience in each of the three zones of the Federation.
- 4 To increase public engagement with the Federation in order to promote our work and support for it.

Fundraising activities

There were no fundraising activities in the year

FINANCIAL REVIEW

A new funding model took effect from 1st September 2018 and is based on the following principles:

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

This business model means that the Federation is operating a cost-sharing model and so the financial position will remain robust, subject to managing cashflow.

The Federation's total incoming resources from charitable activities for the year amounted to £987,729 (2018: £800,347).

The costs of charitable activities amounted to £1,015,875 (2018: £900,170) of which £770,537 (2018: £623,536) related to direct costs and £245,337 (2018: £2634) related to support costs. This included Governance costs of £21,238 (2018 £23,217). Staff costs, including pension and social security costs, were £215,127 (2018: £230,924)

Net current assets at the end of the year amounted to £309,818 (2018: £292,036). Total funds were £1,804,098 of which unrestricted funds amounted to £1,741,225 (2018: £1,717,555) and restricted funds amounted to £62,873 (2018: £86,543).

FINANCIAL REVIEW (continued)

Reserves Policy

The policy of the Federation is to hold sufficient reserves to be able to meet its commitments to staff (including redundancy costs), students (including teach out costs) and suppliers in the event of the charity ceasing to operate. The Resources Committee has set a target reserves figure of £200,000. At 31 August 2019, free reserves were £246,945.

Principal sources of funds

The Federation does not undertake any fundraising; it is fully funded from contributions from its member institutions and a share of fee income from students taking the Professional Doctorate who are not affiliated to a member institution.

Going concern

The Federation's funding model, taken with the reserves held, enable the charity trustees to consider that the Federation is a going concern and will remain so in the future as any operating deficit will be fully covered by the member institutions.

Statement of internal control

The board is the body responsible for ensuring that a sound system of internal control is maintained and it has reviewed the effectiveness of these arrangements.

The Federation's internal controls to prevent and detect corruption, fraud, bribery and other irregularities include:

- Use of external accountants for bookkeeping, payments and management reporting
- The Chief Operating Officer signs all invoices before passing them for payment
- Monthly management accounts are circulated to the Federation's Resources Committee
- Management accounts are reviewed at each board meeting
- The board policy is that expenditure over £10,000 is counter-signed by the Chair or Treasurer, except for the distribution of university fees and student loan income to the member institutions.
- The external audit, whilst not designed to manage these risks, provides the Board with further comfort that good procedures are in place and the figures presented give a true picture of the organisation's financial situation.

The Federation does not receive public funding from the OfS, UK Research and Innovation, the Department for Education or the Education and Skills Funding Agency.

During the year the board reviewed the risk register and risks that have been identified include staff retention, the safety of staff and students, the impact on the Federation if a member institution leaves, the impact of the loss of TEI status or registration with the Office for Students, and the loss of any of the agreements with the universities that validate our courses. Processes have been established to manage these risks.

No internal control weaknesses or failures arose in the year or have arisen up to the date of this report's signing.

PLANS FOR FUTURE PERIODS

Plans for the future are guided by the Strategic Plan as detailed in the "Achievements and Performance" section above, in particular the key responsibility to provide a high quality learning experience for our students. We will continue to offer degrees validated by our three partners, Anglia Ruskin University, Durham University and the University of Cambridge.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

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 14 Jan 2020 and signed on behalf of the board of trustees by:


Professor John Bell
Chair of Trustees

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

Opinion

We have audited the company financial statements of The Cambridge Theological Federation for the year ended 31 August 2019 which comprise the statement of financial activities (including income and expenditure account), the balance sheet, 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 (United Kingdom Generally Accepted Accounting Practice), and the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2019 and of the company's surplus 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matter 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.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company 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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- we have not received all the information and explanation 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 Trustees' report and from the requirement to prepare a Strategic Report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

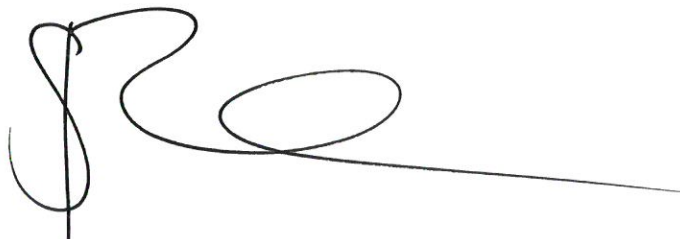
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

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

Stuart Graham Berriman (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants and Statutory Auditors
Beech House
4a Newmarket Road
Cambridge
CB5 8DT



Date: 21 January 2020

THE CAMBRIDGE THEOLOGICAL FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds £	2019 Restricted Funds £	Total Funds £	2018 Total Funds £
Income and endowments					
Donations and legacies	4	-	-	-	133,429
Charitable activities	5	987,729	-	987,729	800,347
Other trading activities	6	27,600	-	27,600	26,175
Investment income	7	546	-	546	259
Total Income		<u>1,015,875</u>	<u>-</u>	<u>1,015,875</u>	<u>960,210</u>
Expenditure					
Charitable activities	8	992,205	23,670	1,015,875	900,170
Total expenditure		<u>992,205</u>	<u>23,670</u>	<u>1,015,875</u>	<u>900,170</u>
Net income/(expenditure)		<u>23,670</u>	<u>(23,670)</u>	<u>-</u>	<u>60,040</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>23,670</u>	<u>(23,670)</u>	<u>-</u>	<u>60,040</u>
Reconciliation of funds					
Total funds brought forward		<u>1,717,555</u>	<u>86,543</u>	<u>1,804,098</u>	<u>1,744,058</u>
Total funds carried forward		<u>1,741,225</u>	<u>62,873</u>	<u>1,804,098</u>	<u>1,804,098</u>

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

THE CAMBRIDGE THEOLOGICAL FEDERATION
BALANCE SHEET
AS AT 31 AUGUST 2019

REGISTERED NUMBER: 04700056

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible fixed assets	14	1,494,280	1,512,062
Total fixed assets		<u>1,494,280</u>	<u>1,512,062</u>
CURRENT ASSETS			
Trade and other debtors	15	60,093	59,226
Cash at bank and in hand		<u>306,632</u>	<u>307,571</u>
		366,725	366,796
CREDITORS: amounts falling due within one year	16	56,907	74,760
NET CURRENT ASSETS		309,818	292,036
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,804,098</u>	<u>1,804,098</u>
NET ASSETS		<u>1,804,098</u>	<u>1,804,098</u>
RESERVES			
Restricted Funds	18	62,873	86,543
Unrestricted Funds		1,741,225	1,717,555
TOTAL FUNDS		<u>1,804,098</u>	<u>1,804,098</u>

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

The financial statements were approved by the Board of Trustees and authorised for issue on 14 Jan 2020 and signed on its behalf by


.....
Professor John Bell
Chair of Trustees

**THE CAMBRIDGE THEOLOGICAL FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	2019	2018
	£	£
Cash flows from operating activities		
Net income/(expenditure)	-	60,040
Adjustments for:		
Depreciation of tangible fixed assets	17,782	19,659
Other interest receivable and similar income	(546)	(259)
Changes in:		
Trade and other debtors	(868)	161,866
Trade and other creditors	(17,853)	(82,905)
Net cash generated by/(used in) operating activities	<u>(1,484)</u>	<u>158,401</u>
Cash flows from investing activities		
Interest received	546	259
Purchase of tangible assets	-	(692)
Net cash generated by/(used in) investing activities	<u>546</u>	<u>(433)</u>
Net increase/(decrease) in cash and cash equivalents	(938)	157,968
Cash and cash equivalents at beginning of year	307,570	149,602
Cash and cash equivalents at end of year	<u>306,632</u>	<u>307,570</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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.

Income and Expenditure account

A statutory Income and Expenditure account is not included as the required information is presented in the Statement of Financial Activities.

The Cambridge Theological Federation meets the definition of a public benefit entity under FRS 102.

Under the 2018 Articles the company's members are individuals appointed by the Federation's Member Institutions and Associate Institutions.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared under the historical cost convention and in accordance with 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), the Charities Act 2011 and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis.

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.

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.

3. ACCOUNTING POLICIES (continued)

Income

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.
- 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.

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. 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.

3. ACCOUNTING POLICIES (continued)

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

Defined Benefit Plan

The company operates a defined benefit pension scheme for its employees. The assets of the scheme are held separately from those of the company. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Donations				
Donations and other income	-	-	-	4,933
Grants				
Laing Grant	-	-	-	128,496
	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,429</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Theological education and training	987,729	-	987,729	800,347
	<u>987,729</u>	<u>-</u>	<u>987,729</u>	<u>800,347</u>

6. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Letting	27,600	-	27,600	26,175
	<u>27,600</u>	<u>-</u>	<u>27,600</u>	<u>26,175</u>

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Bank interest	546	-	546	259
	<u>546</u>	<u>-</u>	<u>546</u>	<u>259</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly 2019 £	Support Costs 2019 £	Total 2019 £	Total 2018 £
Theological education and training	770,537	245,337	1,015,875	900,170
	<u>770,537</u>	<u>245,337</u>	<u>1,015,875</u>	<u>900,170</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. ANALYSIS OF SUPPORT COSTS

	Total 2019 £	Total 2018 £
Staff costs	204,872	230,924
Premises	12,070	15,414
General office	7,157	7,079
Governance costs	21,238	23,217
	<u>245,337</u>	<u>276,634</u>

10. NET INCOME/(EXPENDITURE)

	2019 £	2018 £
Net income/(expenditure) is stated after charging/(crediting)	2019	2018
Depreciation of tangible fixed assets	<u>17,782</u>	<u>19,659</u>

11. AUDITORS REMUNERATION

	2019 £	2018 £
Fees payable for the audit of the financial statements	<u>5,502</u>	<u>5,100</u>

12. STAFF COSTS

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

	2019 £	2018 £
Wages and salaries	182,941	194,529
Social security costs	15,031	17,457
Employer contributions to pension plans	17,155	18,938
	<u>215,127</u>	<u>230,924</u>

The average head count of employees during the year was 10 (2018: 9)

No employee received employee benefits of more than £60,000 during the year (2017: £nil)

Key management personnel

Key management personnel includes 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 £nil (2018: £23,481)

Senior staff pay

The accounts direction from the Office for Students (25th October 2019) requires disclosures about the number of staff with a full-time equivalent basic salary of over £100,000 per annum and full details of the total remuneration package for the head of provider.

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12. STAFF COSTS (continued)

The head of the provider, the Chief Operating Officer, is provided on secondment from one of the member institutions, Wesley House and is not remunerated by the Cambridge Theological Federation. During this period Wesley House was recompensed £8,802 for the secondment.

In 2017-18 the head of provider was the Registrar from 1st September 2017 until 31st March 2018. She was paid a basic salary for this period of £21,415.50 and pension contributions of £2,065.42, a total package of £23,481. The Chief Operating Officer became the head of the provider from 1st March 2018 on secondment from Wesley House. Wesley House did not receive any payment for this during the 2017-18 year.

13. TRUSTEE REMUNERATION AND EXPENSES

The Trustees received no remuneration (2018: £nil) during the year.

During the period Trustees received reimbursement of travel expenses of £nil (2018:£nil).

14. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Equipment £	Totals £
Cost			
As at 1 September 2018	1,518,943	69,559	1,588,502
Additions	-	-	-
As at 31 August 2019	<u>1,518,943</u>	<u>69,559</u>	<u>1,588,502</u>
Depreciation			
As at 1 September 2018	29,355	47,086	76,441
Charge for the year	12,152	5,631	17,782
As at 31 August 2019	<u>41,507</u>	<u>52,716</u>	<u>94,223</u>
Net book value			
As at 31 August 2019	<u>1,477,437</u>	<u>16,843</u>	<u>1,494,280</u>
As at 31 August 2018	<u>1,489,588</u>	<u>22,474</u>	<u>1,512,062</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.

15. DEBTORS

	2019 £	2018 £
Trade debtors	14,024	11,072
Other debtors	46,069	48,154
	<u>60,093</u>	<u>59,226</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	10,101	27,191
Social security and other taxes	3,364	3,730
Other creditors	43,442	43,838
	<u>56,907</u>	<u>74,760</u>

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17. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Cambridge Theological Federation participates in the Pension Builder Scheme section of the Church Workers Pension Fund 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. Discretionary increases 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 a multi-employer scheme as described in Section 28 of FRS 102 as 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 £17,155 (2018: £18,938).

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.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Cambridge Theological Federation could become responsible for paying a share of that employer's pension liabilities.

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18. ANALYSIS OF RESTRICTED FUNDS

	At 1 September 2018 £	Income £	Expenditure £	Transfers £	At 31 August 2019 £
Maurice and Hilda Laing Trust grant	86,543	-	(23,670)	-	62,873
	<u>86,543</u>	<u>-</u>	<u>(23,670)</u>	<u>-</u>	<u>62,873</u>

Maurice and Hilda Laing Trust grant

During the year £23,670 was spent as the Federation's contribution to the development of a new database in partnership with Trinity College, Bristol and St Mellitus College. The database is due to be released in 2020.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,494,280	-	1,494,280
Net Current assets	246,945	62,873	309,818
Net assets	<u>1,741,225</u>	<u>62,873</u>	<u>1,804,098</u>

20. ANALYSIS OF GRANT INCOME

	2019 £	2018 £
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	646,962	522,292
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	-	-
Total grant and fee income	<u>646,962</u>	<u>522,292</u>

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21. LEASING AGREEMENTS

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

	2019 £	2018 £
Not later than 1 year	853	853
Later than 1 year and not later than 5 years	-	853
	<u>853</u>	<u>1,706</u>

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	2018 Restricted Funds £	Total Funds £
Income and endowments			
Donations and legacies	4,933	128,496	133,429
Charitable activities	642,547	-	642,547
Other trading activities	26,175	-	26,175
Investment income	254	5	259
Total income	<u>673,909</u>	<u>128,501</u>	<u>802,410</u>
Expenditure			
Charitable activities	674,619	67,751	742,370
Total expenditure	<u>674,619</u>	<u>67,751</u>	<u>742,370</u>
Net income/(expenditure)	<u>(710)</u>	<u>60,750</u>	<u>60,040</u>
Transfers between funds	6,882	(6,882)	-
Net movement in funds	<u>6,172</u>	<u>53,868</u>	<u>60,040</u>
Reconciliation of funds			
Total funds brought forward	1,711,384	32,674	1,744,058
Total funds carried forward	<u>1,717,556</u>	<u>86,542</u>	<u>1,804,098</u>

23. RELATED PARTY TRANSACTIONS

Member bodies and associate institutions paid membership fees of £312,608 in the year.