



The Cambridge Theological Federation

Report and Financial Statements

31 August 2022

Registered Charity Number: 1099953
Company registration Number: 04700056

**THE CAMBRIDGE THEOLOGICAL FEDERATION
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FOR THE YEAR ENDED 31 AUGUST 2022**

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**THE CAMBRIDGE THEOLOGICAL FEDERATION
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2022**

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 2022.

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	
Professor John Bell (Chair)	
Dr Andrew Cates Rev Helen Dawes	Resigned 27 th July 2022
Rev Dr Alex Jensen	
Dr Cynthia Lumley Mr Ian Strachan Rvd Dr Muthuraj Swamy	
Rev Dr Michael Volland	Resigned 27 th July 2022
Company Secretary	Alastair Oatey to 31 st July 2022 Andrew Chamberlain from 1 st August 2022
Auditors	Chater Allan LLP Chartered Accountants & Statutory Auditors 7 Quay Court Colliers Lane Stow -cum-Quy CB25 9AU
Accountancy and payroll	Bidwells LLP Bidwell House Trumpington Road Cambridge CB2 9LD
Banker	Barclays PLC PO Box No2 Cambridge CB3 3PZ

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INTRODUCTION

The Cambridge Theological Federation, formed in 1972, is an ecumenical collaboration between twelve 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 the Federation to offer student loans and to be registered with the Home Office to sponsor 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 services team at its Bounds House office that provides administrative and information services support. The Federation appoints academic staff with relevant theological expertise to teach and supervise Federation students on taught and research degrees. Most academic staff are members of one of the Federation Houses; others are retired or employed by another institution and are engaged to teach in their specialist areas. The Director of Professional Doctorate is an employee of Anglia Ruskin University, though primarily based with the Bounds House team. He teaches students taking the first year of the Professional Doctorate and supervises doctoral students.

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

Member Institutions

At its AGM in July 2021 the Federation was pleased to welcome the Kirby Laing Centre as an Associate Institution, bringing the number to eight Member Institutions and four Associate Institutions.

Member Institutions

Member Institutions appoint two individuals as Members and may present students for enrolment on validated courses. Associate Members appoint one individual as a Member but are not entitled to have students on degrees validated through the Federation.

Cambridge Centre for Christianity Worldwide
Institute for Orthodox Christian Studies
Margaret Beaufort Institute of Theology
Ridley Hall
Wesley House
Westcott House
Westfield House
Westminster College

Orthodox Christian
Roman Catholic
Church of England
Methodist
Church of England
Lutheran
United Reformed Church

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Associate Institutions

Eastern Region Ministry Course Church of England
The Faraday Trust
The Kirby Laing Centre for Public Theology in Cambridge
Woolf Institute

OBJECTIVES AND ACTIVITIES

The charity's objects are: to advance the Christian faith, to advance religious ecumenical education consistent 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 charity has adopted the following 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.”

STATEMENT OF CORPORATE GOVERNANCE

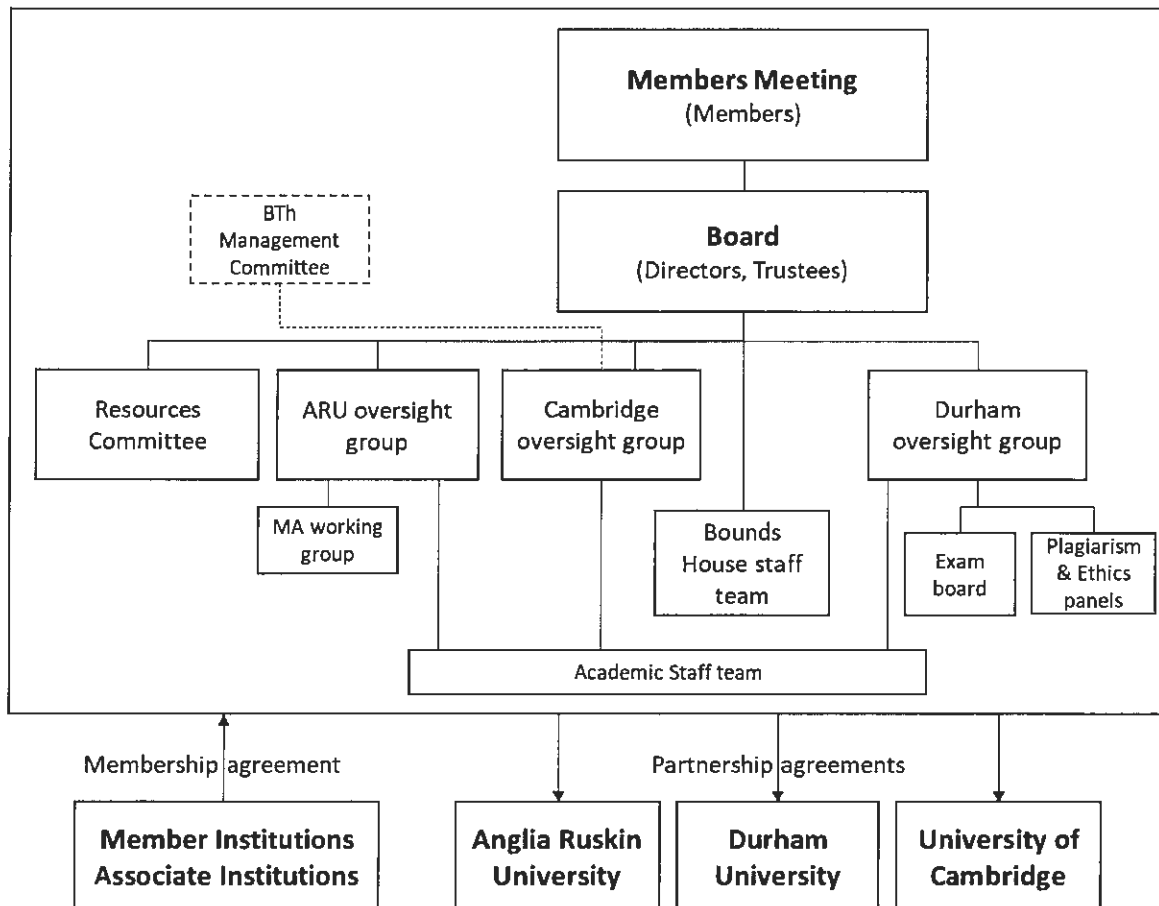
The charity is constituted as a company limited by guarantee and is governed by its articles of association adopted on 22nd November 2018.

Under the 2018 Articles the company's members are individuals appointed by the Federation's Member Institutions and Associate Institutions. (The difference being that Associate Institutions do not have the right to present students for enrolment on courses accredited via the Federation.) Two individuals are appointed by each of the Member Institutions and one individual each from the Associate Member institutions.

The members appoint the company's directors who govern the business of the Federation. The directors are also the charity's trustees.

The diagram below represents the Federation's corporate governance arrangements.

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The Members

The Members have retained the functions listed below. All other functions are delegated to the Board.

- Set the Federation's strategic direction, including determining its educational character and mission
- Amend the Articles
- Appoint the President who will chair meetings of the members
- Amend rules for General Meetings of the members
- Appoint and remove the Directors
- Appoint and remove the Chair of the Board and the Company Secretary.
- Set the basis of fees for Institution and Associate Members
- Appoint auditors
- Receive the annual report and accounts
- Approve the budget
- Approve the Scheme of Delegation
- Any other matter specifically requiring members' approval under the Companies Act.

The Members are responsible for the adequacy and effectiveness of corporate governance which they ensure through their Annual Meeting at which board minutes for the year are reviewed, reports from the Chair of the Board and Chief Operating Officer are discussed and these accounts, including this report, are reviewed.

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Director Selection Methods

Directors are selected through personal recommendation 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. Three of the directors are heads of member institutions and so ensure the members' interests are represented on the board.

Responsibilities of the board of directors

The responsibilities of the board, as set out in the Federation's Governance Manual, are listed below.

- 1. Authority**

To act within the authority delegated in the Members' Scheme of Delegation.
- 2. Governance and statutory obligations**
 - a. To ensure that the Federation conforms to current Company Law and Charity Law in the management and conduct of its affairs.
 - b. To ensure that Annual Returns, Annual Reports and Annual Accounts are prepared, audited, approved and filed in good time.
 - c. To ensure risk is assessed and mitigated.
 - d. To ensure that the Federation is financially viable, with a clear budget and financial monitoring.
 - e. To ensure the Federation has clear policies and procedures in all areas required for good governance and to ensure their effectiveness.
 - f. To ensure the Federation has clear operational policies and procedures for Health and Safety and ensure their effectiveness.
- 3. Strategy and Liaison**
 - a. To develop and ensure the implementation of a viable business plan based on the strategic direction given by the Members and report on its progress against objectives.
 - b. To ensure that the Federation is efficiently and effectively managed with clear management procedures and monitoring of overall performance.
 - c. To ensure that there is good liaison across all areas of the Federation, providing an annual report to Members, as well as making its minutes (except confidential items) available to Members, Bounds House staff, other staff of College Member bodies and students.
 - d. To be ambassadors for the Federation, developing good relationships with all institutions.
- 4. Compliance and quality assurance**
 - a. To ensure there are appropriate systems in place to meet all compliance issues relating to being an Alternative Educational Provider, including interaction with OfS and other external bodies.

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- b. To oversee the Prevent programme and monitor its effectiveness across institutions.
- c. To monitor quality assurance and enhancement undertaken through the three University Oversight Groups including responses to external examiners, external university committees, student feedback, suitable staff development. Sign off annual updating of quality assurance handbooks and Federation Teaching and Learning Strategy.

5. Bounds House staff

- a. To ensure that there are clear HR processes in place for the appointment, remuneration, appraisal, support and accountability of Bounds House staff.

6. Acquiring knowledge and developing personally

- a. To keep up to date about the Federation's work.
- b. To keep up to date about the external environment in which the Federation operates and read externally to acquire relevant knowledge.

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.

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Policies & procedures for induction and training of trustees

The Board is responsible for inducting new Trustees which is done through provision of relevant material from the Charity Commission about Charity Trustees' responsibilities and through access to previous board minutes and papers.

Transparency about corporate governance arrangements

We ensure that our governance arrangements are transparent by publishing them in a Governance Manual which is given to all Members and Trustees and is available to all staff and students from our virtual learning environment/intranet. This report ensures the information is available in the public domain.

We promote transparency of our governance decisions through circulation of minutes of committees and through the inclusion of student representatives attending committee and board meetings.

Key management personnel

Up to 31st July 2022 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. From 1st August 2022 Andrew Chamberlain, Head of Central Services, was the key management person with day to day responsibility delegated for the Federation's effective management.

PUBLIC BENEFIT

The public benefit activities we have undertaken this year in relation to our purposes have included:

- 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;
- supporting the theological colleges which are members of the Federation in raising awareness of religious practices and beliefs;
- providing education in accordance with the principles and practices of the Christian religion;
- providing opportunities through placements for students to engage in prison, hospital and school chaplaincy work;
- providing training in pastoral and liturgical work, both within and beyond faith communities;
- providing opportunities for continuing ministerial education for ministers through formal and informal educational programmes and through training offered for placement supervisors, academic tutors and others;
- providing, through our member institutions, seminars and lectures on current topics of interest to Christian faith for engaging in dialogue and research to explore and promote inter-faith understanding and cooperation.

Details of further activities are discussed in the "achievements and performance" section below. The Trustees have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act.

Contribution made by volunteers

There were no volunteers during this period.

Arrangements for setting pay & remuneration of key management personnel

The pay and remuneration of key management personnel is set by recommendation from the Resources Committee and agreed in each year's budgeting process.

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ACHIEVEMENTS AND PERFORMANCE

The main achievement of the Federation remains teaching students. 332 students were taught on courses validated through the Federation in 2021/22, compared with 323 in 2020/21. In addition a number of students read for the BA in Theology and Religious Studies, PhD or MPhil by arrangements made directly between a member institution and the University of Cambridge.

- 150 students studied for awards from ARU (previously "Anglia Ruskin University")
- 157 students studied for awards from Durham University
- 25 students studied for awards from the University of Cambridge

Following the easing of COVID restrictions during the year under audit, teaching has moved back to in-person contact from online.

Strategic Plan

Following the successful completion of the last strategic review, members of the board set some short-term strategic goals for the year 2022/23 and these have been recorded in the 2022/23 Interim Strategic Plan. Activities for the plan are now in progress and achievements are being monitored. The board will meet to conduct a strategic review in February 2023 with the aim of creating a multi-year plan to come into effect from 2023/24. The plan will be presented at the next AGM.

Fundraising activities

The library department successfully raised £10k from the Jerusalem Trust to fund the purchase of books from diverse voices in theology and specifically covering matters related to Equality, Diversity, and Inclusion.

FINANCIAL REVIEW

The Federation's funding model is based on the following principles:

1. The central Federation (ie this company) will have a balanced budget each year.
2. The core central costs are split amongst the Member Institutions in equal proportions, according to their membership category.
3. The library costs are split amongst all Member Institutions, adjusted according to their relative level of demand on the service.
4. The costs of running each of the degree programmes are borne in full by those Member Institutions wishing to offer those degrees, including the cost of purchasing and licensing electronic books and journals.
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 £1,046,067 (2021: £901,593).

The costs of charitable activities amounted to £1,121,718 (2021: £939,985) of which £845,955 (2021: £679,445) related to direct costs and £275,763 (2021: £260,539) related to support costs. This

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included Governance costs of £31,192 (2021: £21,355). Staff costs, including pension and social security costs, were £212,714 (2021: £225,908).

Net current assets at the end of the year amounted to £314,279 (2021: £337,758). Total funds were £1,762,382 of which unrestricted funds amounted to £1,699,963 (2021: £1,741,225) and restricted funds amounted to £62,419 (2021: 59,162).

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 2022, free reserves were £251,860.

Principal sources of funds

The Federation does not generally undertake any fundraising and aims to be 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 responsible for the adequacy and effectiveness of risk management and oversight of statutory and other regulatory responsibilities including compliance with the Office for Students' ongoing conditions of funding. It fulfils these responsibilities through receiving and discussing reports from the Chief Operating Officer at its regular Board meetings.

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 principles of internal control applied by the board are:

- a) Identifying and managing risk is an ongoing process linked to achieving the Federation's objectives
- b) The approach to internal control is risk-based and includes an evaluation of the likelihood and impact of risks becoming a reality
- c) Review procedures cover business, operational and compliance risk as well as financial risk
- d) Risk assessment and internal controls are embedded in ongoing operations
- e) The Board receives regular reports on internal control and risk.

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 Head of Central Services approves 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

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- 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.

The Federation receives public funding from the Student Loan Company, which is passed in full to the Member Institution of the relevant student and is used for payment of their tuition fees.

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

The Federation will continue to offer degrees validated by our three partners, Anglia Ruskin University, Durham University and the University of Cambridge and continually strive to provide a high quality learning experience for our students.

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 23rd January 2023 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 2022**

Opinion

We have audited the financial statements of The Cambridge Theological Federation (the charitable company) for the year ended 31 August 2022 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

Other information (continued)

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.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the annual financial statements from our general commercial and charitable company specific experience, through discussion with the trustees (as required by auditing standards), and from inspection of the charitable company's regulatory correspondence, and we discussed with the trustees the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indication to non-compliance throughout the audit; the audit team are deemed both competent and capable of identifying non-compliance with rules and regulations.

The potential effect of these laws and regulations on the annual financial statements varies considerably. Firstly, the charitable company is subject to laws and regulations that directly affect the annual financial statements including financial reporting legislation and taxation legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related annual account items. Secondly, the charitable company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on the amounts or disclosures in the financial statements, for instance non-compliance with industry regulations. We assessed the risk of fraud in the financial statements through discussion with management and from our experience of the charitable company. We communicated identified fraud risk areas throughout our team and remained alert to any indication of fraud throughout the audit. In particular, we assessed the potential impact of the global pandemic known as Covid-19 on the risk of fraud. We did not identify any instances of fraud during the course of our audit.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and inspection of regulatory and legal correspondence, if any. Through these procedures, we did not become aware of any actual or suspected non-compliance with laws and regulations. Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

Use of our report

This report is made solely to the 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 charitable 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 charitable company and the trustees 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
7 Quay Court
Colliers Lane
Stow-cum-Quy
CB25 9AU

Date: 27 January 2023

THE CAMBRIDGE THEOLOGICAL FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	2022 Restricted Funds £	Total Funds £	2021 Total Funds £
Income and endowments					
Donations and legacies	4	-	10,000	10,000	2,000
Charitable activities	5	1,046,067	-	1,046,067	901,593
Other trading activities	6	27,600	-	27,600	27,645
Investment income	7	46	-	46	416
Total Income		<u>1,073,713</u>	<u>10,000</u>	<u>1,083,713</u>	<u>931,654</u>
Expenditure					
Charitable activities	8	1,114,975	6,743	1,121,718	939,985
Total expenditure		<u>1,114,975</u>	<u>6,743</u>	<u>1,121,718</u>	<u>939,985</u>
Net expenditure		<u>(41,262)</u>	<u>3,257</u>	<u>(38,005)</u>	<u>(8,331)</u>
Transfers between funds		-	-	-	-
Net movement in funds		<u>(41,262)</u>	<u>3,257</u>	<u>(38,005)</u>	<u>(8,331)</u>
Reconciliation of funds					
Total funds brought forward		<u>1,741,225</u>	<u>59,162</u>	<u>1,800,387</u>	<u>1,808,718</u>
Total funds carried forward		<u>1,699,963</u>	<u>62,419</u>	<u>1,762,382</u>	<u>1,800,387</u>

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

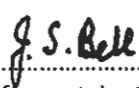
THE CAMBRIDGE THEOLOGICAL FEDERATION
BALANCE SHEET
AS AT 31 AUGUST 2022


REGISTERED NUMBER: 04700056

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible fixed assets	14	1,448,103	1,462,630
Total fixed assets		<u>1,448,103</u>	<u>1,462,630</u>
CURRENT ASSETS			
Trade and other debtors	15	49,366	68,283
Cash at bank and in hand		<u>364,360</u>	<u>316,649</u>
		413,726	384,932
CREDITORS: amounts falling due within one year	16	<u>99,447</u>	<u>47,174</u>
NET CURRENT ASSETS		314,279	337,758
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,762,382</u>	<u>1,800,387</u>
NET ASSETS		<u>1,762,382</u>	<u>1,800,387</u>
RESERVES			
Restricted Funds	18	62,419	59,162
Unrestricted Funds		<u>1,699,963</u>	<u>1,741,225</u>
TOTAL FUNDS		<u>1,762,382</u>	<u>1,800,387</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 23rd January 2023 and signed on its behalf by


.....
Professor John Bell
Chair


.....
Andrew Chamberlain
Head of Central Services

**THE CAMBRIDGE THEOLOGICAL FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022	2021
	£	£
Cash flows from operating activities		
Net expenditure	(38,005)	(8,331)
Adjustments for:		
Depreciation of tangible fixed assets	14,526	15,317
Other interest receivable and similar income	(46)	(416)
Changes in:		
Trade and other debtors	18,917	40,837
Trade and other creditors	52,275	(154,627)
Net cash generated by/(used in) operating activities	<u>47,665</u>	<u>(107,220)</u>
Cash flows from investing activities		
Interest received	46	416
Net cash generated by investing activities	<u>46</u>	<u>416</u>
Net increase/(decrease) in cash and cash equivalents	47,711	(106,804)
Cash and cash equivalents at beginning of year	316,649	423,453
Cash and cash equivalents at end of year	<u>364,360</u>	<u>316,649</u>

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 directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated 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.

3. ACCOUNTING POLICIES (continued)

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.

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.

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. 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

Defined Benefit Plan

The company operates a defined benefit pension scheme for its employees. 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.

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 2022

4. DONATIONS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Donations	-	-	-	-
Grants	-	10,000	10,000	2,000
	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>2,000</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Theological education and training	1,046,067	-	1,046,067	901,593
	<u>1,046,067</u>	<u>-</u>	<u>1,046,067</u>	<u>901,593</u>

6. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Letting	27,600	-	27,600	27,645
	<u>27,600</u>	<u>-</u>	<u>27,600</u>	<u>27,645</u>

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2022 £	Total Funds 2021 £
Bank interest	46	-	46	416
	<u>46</u>	<u>-</u>	<u>46</u>	<u>416</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly 2022 £	Support Costs 2022 £	Total 2022 £	Total 2021 £
Theological education and training	845,955	275,763	1,121,718	939,985
	<u>845,955</u>	<u>275,763</u>	<u>1,121,718</u>	<u>939,985</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

9. ANALYSIS OF SUPPORT COSTS

	Total 2022 £	Total 2021 £
Staff costs	212,714	225,908
Premises	20,682	19,660
General office	11,175	12,641
Governance costs	31,192	21,355
	<u>275,763</u>	<u>279,564</u>
Governance costs:	£	£
Audit fees	5,500	5,580
Accountancy	25,692	15,775
	<u>31,192</u>	<u>21,355</u>

10. NET INCOME/(EXPENDITURE)

	2022 £	2021 £
Net expenditure is stated after charging		
Depreciation of tangible fixed assets	14,526	15,317
	<u>14,526</u>	<u>15,317</u>

11. AUDITORS REMUNERATION

	2022 £	2021 £
Fees payable for the audit of the financial statements	5,500	5,580
(Under)/over accrual in prior year	-	180
	<u>-</u>	<u>180</u>

12. STAFF COSTS

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

	2022 £	2021 £
Wages and salaries	178,253	191,322
Social security costs	16,477	16,253
Employer contributions to pension plans	17,984	18,333
	<u>212,714</u>	<u>225,908</u>

The average head count of employees during the year was 10 (2021: 10)

No employee received employee benefits of more than £60,000 during the year (2021: £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 (2021: £nil)

Senior staff pay

The accounts direction from the Office for Students 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.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. STAFF COSTS (continued)

Until 31 July 2022, 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 £16,500 for the secondment. From 1 August 2022, the head of the provider was redesignated as Head of Central Services and is provided on secondment from one of the member institutions, Ridley Hall and is not remunerated by the Cambridge Theological Federation. During this period Ridley Hall was recompensed £1,580 for the secondment.

13. TRUSTEE REMUNERATION AND EXPENSES

The Trustees received no remuneration (2021: £nil) during the year.
During the period Trustees received reimbursement of travel expenses of £nil (2021:£nil).

14. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Equipment £	Totals £
Cost			
As at 1 September 2021	1,518,943	69,559	1,588,502
Additions	-	-	-
As at 31 August 2022	<u>1,518,943</u>	<u>69,559</u>	<u>1,588,502</u>
Depreciation			
As at 1 September 2021	65,810	60,063	125,873
Charge for the year	12,152	2,374	14,526
As at 31 August 2022	<u>77,962</u>	<u>62,437</u>	<u>140,399</u>
Net book value			
As at 31 August 2022	<u>1,440,981</u>	<u>7,122</u>	<u>1,448,103</u>
As at 31 August 2021	<u>1,453,134</u>	<u>9,496</u>	<u>1,462,630</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

	2022 £	2021 £
Trade debtors	5,226	18,314
Other debtors	44,140	49,969
	<u>49,366</u>	<u>68,283</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade creditors	28,616	7,406
Social security and other taxes	4,074	4,009
Other creditors	8,691	3,757
Accruals and Deferred income	58,066	32,002
	<u>99,447</u>	<u>47,174</u>
Deferred income:		
As at 1 September 2021	1,345	7,207
Deferred income recognised in the year	(1,345)	(7,207)
Resources deferred during the year	1,200	1,345
As at 31 August 2022	<u>1,200</u>	<u>1,345</u>

Deferred income represents income received in advance.

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 balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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 of £17,984 (2021: £18,333).

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 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 3% following improvements in 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 £5.5m 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.

THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

18. ANALYSIS OF RESTRICTED FUNDS

	At 1 September 2021 £	Income £	Expenditure £	Transfers £	At 31 August 2022 £
Maurice and Hilda Laing Trust grant	59,162	-	1,482	-	57,680
Jerusalem Trust	-	10,000	5,261	-	4,739
	<u>59,162</u>	<u>10,000</u>	<u>6,743</u>	<u>-</u>	<u>62,419</u>

Maurice and Hilda Laing Trust grant

During the year £1,482 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 Jerusalem Trust

During the year a £10,000 grant was received from the Jerusalem Trust towards a core library of essential e-books. £5,261 was spent during the year.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,448,103	-	1,448,103
Net Current assets	251,860	62,419	314,279
Net assets	<u>1,699,963</u>	<u>62,419</u>	<u>1,762,382</u>

20. ANALYSIS OF GRANT AND FEE INCOME

	2022 £	2021 £
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	296,543	243,750
Fee income for research awards (exclusive of VAT)	387,128	283,590
Fee income from non-qualifying courses (exclusive of VAT)	-	-
Total grant and fee income	<u>683,671</u>	<u>527,340</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

21. LEASING AGREEMENTS

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

	2022	2021
	£	£
Not later than 1 year	733	733
Later than 1 year and not later than 5 years	2,201	2,934
	<u>2,934</u>	<u>3,667</u>

£775 lease payments were expensed in the year.

22. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	2021 Restricted Funds £	Total Funds £
Income and endowments			
Donations and legacies	2,000	-	2,000
Charitable activities	901,593	-	901,593
Other trading activities	27,645	-	27,645
Investment income	416	-	416
Total income	<u>931,654</u>	<u>-</u>	<u>931,654</u>
Expenditure			
Charitable activities	931,654	8,331	939,985
Total expenditure	<u>931,654</u>	<u>8,331</u>	<u>939,985</u>
Net income/(expenditure)	<u>-</u>	<u>(8,331)</u>	<u>(8,331)</u>
Transfers between funds	-	-	-
Net movement in funds	<u>-</u>	<u>(8,331)</u>	<u>(8,331)</u>
Reconciliation of funds			
Total funds brought forward	1,741,225	67,493	1,808,718
Total funds carried forward	<u>1,741,225</u>	<u>59,162</u>	<u>1,800,387</u>

23. RELATED PARTY TRANSACTIONS

Member Institutions and associate institutions paid membership fees of £342,600 in the year.