

The Queen's  
Foundation

FOR ECUMENICAL THEOLOGICAL EDUCATION



**THE QUEEN'S FOUNDATION  
FOR ECUMENICAL THEOLOGICAL EDUCATION**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

**(A Company limited by guarantee not having a share capital)**

**Company Registration No 05511503**

**Charity Registration No 1111892**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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## GOVERNORS 2018-19

|   |   |  |
|---|---|--|
| C | Revd Kenneth Howcroft                     |  |
| C | Mr John Bell                              |  |
| C | The Ven Simon Heathfield                  | (nominee of the West Midlands Bishops) |
| C | Mrs Marilyn Hull                          | (resigned 18 October 2018)             |
| C | Mrs Julia Tozer                           | (resigned 20 December 2018)            |
| C | Dr Paul Stewart                           |  |
| C | Mrs Mavis Jones                           | (appointed 17 November 2017)           |
| N | Dr Rachel Jepson                          | (Nominee of the General Synod)         |
| N | The Revd Dr Stephen Wigley MA, MPhil, PhD | (resigned 18 October 2018)             |
| N | The Revd Dr Liz Smith                     | (resigned 30 April 2019)               |
| C | Reverend Lucy Winkett                     |  |
| C | Professor Helen Dent                      | (appointed 18 October 2018)            |
| C | Reverend Claire Maxim                     | (appointed 18 October 2018)            |

**Key:**

- C Co-opted Governors  
N Nominated Governors

**Auditors**

JW Hinks LLP  
19 Highfield Road  
Edgbaston  
Birmingham B15 3BH

**Bankers**

Bank of Scotland  
55 Temple Row  
Birmingham  
B2 5LS

**Solicitors**

Anthony Collins  
134 Edmund Street  
Birmingham  
B3 2ES

The Queen's Foundation for Ecumenical Theological Education  
Somerset Road, Edgbaston, Birmingham, B15 2QH  
a company limited by guarantee, Company Registration Number 05511503  
incorporating a charity administered by a Charity Commissioners Scheme  
regulated by The Charity Commissioners for England and Wales  
Registered Charity Number 1111892



## FOUNDATION STAFF 2018-19

### **Principal**

The Revd Canon Dr David Hewlett BA, PhD, Durham University  
(Anglican & Methodist)

### **Academic Director**

Dr David Allen BA, MA, MCS, PhD University of Cambridge, Regent College Vancouver, University of Edinburgh

### **Co-Director of The Centre for Ministerial Formation**

The Revd Dr Jane Crooke BA, PhD University of Durham  
(Methodist)

### **Co-Director of The Centre for Ministerial Formation**

The Revd Mark Esrey BA (Hons), BSc (Hons)-Conf Theology Loughborough University, Durham University  
(Anglican)

### **Lecturers**

Deacon Eunice Atwood MEd, Chester College  
(Methodist)

Revd Jose Foster BA (Hons) PGCE, MA Newman University  
(Anglican)

Revd Gary Hall MA MPhil PGCE Pentecostal College Cambridge, Birmingham University  
(Methodist)

Dr Dulcie McKenzie BA, PhD, Birmingham University  
(Presbyterian)

Dr Fran Porter BA, PhD University of Ulster  
(Anglican)

Revd Dr Carsten Turner BA, MA, University of Birmingham, PhD University of Gloucestershire  
(Anglican)

Revd Dr Judith Russell BA (Hons) TMI Duke University PhD Durham University  
(Methodist)

Deacon Kerry Scarlett, MA, Newman University  
(Methodist)

Professor Nicola Slee MA, PhD, Selwyn College Cambridge, University of Birmingham  
(Anglican)

Ms Helen Stanton  
(Catholic & Anglican)

Revd Jeanette Hartwell PhD, Birmingham University  
(Anglican)

Dr Rachel Steer BA (Hons), STM, University of Oxford, Union Theological Seminary City of New York, THO, Instituto Universitario ISEDET,  
Buenos Aires  
(Methodist)

Dr Andrew Hayes MA, MSc, PhD University of Edinburgh  
(Presbyterian)

Revd Dr Paul Kizakwayo MBA, MTh, PhD University of Edinburgh  
(Methodist)

Revd Dr Jonathan Deas MA, PhD Cambridge University  
(Methodist)

### **Director of Finance**

Paul D Boffess MA ACA (resigned 27 June 2018)



## GOVERNORS' REPORT

The members of the board of Governors present their report together with the financial statements of The Queen's Foundation for Ecumenical Theological Education for the year ended 31 August 2019. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a Directors report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 15 and comply with the charitable company's memorandum and articles, applicable laws and the requirements of the Statement of Recommended Practice on 'Accounting and Reporting by Charities' (FRS 102).

### President of Governor's Introduction

This has been a positive and successful year with planned campus developments coming to fruition and new undertakings successfully achieved. These include: a new car park on campus and a complete renewal of heating and hot water to the residential accommodation for families on site; and improving accessible accommodation and installing a stair lift to the first floor of the Old Building. A significant strategic development was the launch of the Centre for Black Theology in December 2018 and the inauguration of new post graduate programmes. Recruitment for and interest in this Centre has exceeded expectations. We have also been awarded a grant by the Methodist Church to develop a project called 'Partnership in Theological Education' which is designed to support faculty development in seminaries or theological colleges in the global south. Areas of academic quality and management include:

1. We have successfully registered with the Office for Students as an Approved Provider (fee cap) meeting all their baseline conditions and complying with all their reporting and data requirements.
2. We have received a positive outcome of the annual monitoring and review process by the QAA. The report describes us making "commendable progress" against the action plan generated from the main review.
3. We have successfully renewed our Tier 4 license and Trusted Sponsor status with the Home Office, passing our compliance assessment, and thereby enabling us to continue to sponsor students under the Tier 4 visa provision.
4. We have purchased, developed and begun to implement a new database. This is a major project, necessitated by the increasing level of data returns required by the Office for Students and the Higher Education Statistics Authority (HESA).
5. We have received the Silver TEF Award for Teaching Excellence from the Office for Students. This award recognises that Queen's "delivers high quality teaching, learning and outcomes for its students" and "consistently exceeds rigorous national quality requirements for UK higher education".
6. We have been a partner in a research initiative with the University of Roehampton, exploring how our learning and formation programmes for the Churches' ministers enable them to be people who can help others to learn. The results of this research will contribute to our curriculum development and planning.
7. We held the fourth annual Queen's public lecture given by the Revd Dr Stephen Cherry at St Francis Parish Church, Bourneville, on the theme 'Is Forgiveness the Answer? Living well after violence, abuse or betrayal'.
8. Academic staff have been active in research and publications. Gary Hall was awarded a PhD by the University of Birmingham for his thesis on Thomas Merton. Staff publications include *According to the Scriptures: The death of Christ in the Old Testament and the New*, by David Allen; *Justin against Marcion: (Delivering the Christian philosophy). Emerging Scholars*, by Andrew Hayes; *Reimagining Theologies of Marriage in Contexts of Domestic Violence: when Salvation is Survival*, by Rachel Starr; *To gain at Harvest: Portraits from the English Reformation* by Jonathan Dean; *Guard the human image for it is the image of God: essays on Thomas Merton* (also published as *Das Menschenbild als Abbild Gottes bewahren. Beiträge zu Thomas Merton*, co-edited by Gary Hall).



### **Academic Staffing changes**

The Revd Dr Jonathan Dean left the faculty in June 2019 to take up a new appointment in the Methodist Church.

### **Administrative staff changes**

Mark McFadden, the Campus and Facilities Manager moved to another post and Jonathan Bennett has been appointed to a newly named role as "College Business Manager". Gail Harris, a part-time administrator, moved to a new employer and has been replaced by Kate Cooper who is full time with a new focus on academic administration and working across different centres. Donna Pryor, a part-time administrator who focused on global Christianity and independent student support, moved to a new employer in the Spring.

### **Governing Documents**

The Queen's Foundation for Ecumenical Theological Education is a company limited by guarantee governed by its Articles of Association dated 30<sup>th</sup> June 2014. It is a charity, registered with the Charities Commission under a scheme dated June 2006 and for accounting purposes is unified with the Queen's Foundation for Ecumenical Theological Education, Permanent Endowment Trust, by an Order of the Commission issued on the same date. There are currently ten members (Governors).

### **Appointment of Governors**

The governance of the Foundation is the responsibility of the Governors, 4 of whom are nominated and 10 of whom are co-opted. The 4 nominated Governors are nominated respectively by the General Synod of the Church of England, the Council of the Methodist Church (2 members), and the Church of England West Midlands Bishops. Existing Governors serve terms of appointment of 3 years. New appointments and reappointments are made for a term of 3 years.

The remaining Governors are co-opted according to appropriate skills and experience. Lists of suitable nominees are drawn up by the Governors, or a special sub-committee appointed by the Governors and approached by the President of Governors to establish their willingness to serve. All appointments are subject to a vote of approval by the Governors for the time being. The Governors serve as directors of the limited company.

### **Trustee Training**

The Foundation arranges periodic training events for Governors.

### **Organisation**

The Governors in general meeting annually appoint one of their number to act as President of Governors.

The Governors have appointed an Audit Committee (formerly the Finance and General Purposes Committee) which in addition to overseeing the Foundation's financial affairs also scrutinises, evaluates and monitors academic quality and the data that is gathered and reported on to assure this. The committee reports to governors to support them in their responsibilities in both financial and quality matters. The Audit Committee also considers any specific issues referred to it by the Governors from time to time and considers matters of policy and corporate planning, including acting as a nominators committee for Governor appointments. Other committees are appointed by the Governors from time to time to consider such specific matters as may be delegated by the Governors.

### **Key Management personnel**

The day to day operations of the Foundation are controlled and monitored by the leadership team which is comprised of the Principal, the Academic Dean, the Directors of each of the Formation and Teaching centres, the well being officer, and the Director of Operations/Registrar. They meet very regularly to discuss current matters affecting all aspects of the Foundation.

The remuneration of academic staff is based on the Lichfield scale set out by the Archbishops Council of the Church of England and this is then subject to increments based on responsibility by individual job description. Pension contributions are made for the Leadership to either the church schemes to whom ordained ministers belong or to the Foundation defined benefit scheme at normal percentage rates.



## Risk Management

The Governors review the major risks to which the Foundation is exposed and systems have been established to manage these risks. Internal risks of control are minimised by the implementation of procedures for authorisation and monitoring of transactions, and potential external risks to the future levels of income and the ability to deliver satisfactory tuition to students are addressed by the Leadership team and the Governors on an annual basis.

The major risks facing the Foundation have been identified under the following headings:

- Possibility of financial misfeasance
- Loss of key academic and admin staff – including the Principal
- Withdrawal of student placements by our major Church partners
- Lack of governors with sufficient relevant expertise to sit on Board
- Ensuring satisfactory compliance with the increasingly rigorous Government and other University monitoring processes

All these areas are regularly reviewed by the Governors and every effort is made to ensure that the appropriate action is taken to mitigate the potential damage that these risks may give rise to.

This action includes:

- a review of systems annually by the auditors and the Audit Committee of the Governors, cheque signatories scrutinising back up paperwork and segregation of duties wherever possible.
- Regular appraisal and monitoring of recruitment by the Principal, who regularly reports to the Governors, combined with frequent admin staff meetings to identify personnel issues and maintaining satisfactory recruitment levels to ensure staff are fully engaged.
- Development of website to ensure potential students are fully able to grasp benefits of study at the Foundation combined with active participation by key staff with Methodist Connexional Committees and reviews and processes.
- President and Principal and other governors regularly review Governor constitution and actively seek to identify potential new members of the board both locally and nationwide on an ongoing basis.
- Members of the administration team are provided with suitable staff development to ensure that they are fully aware with compliance procedures and staffing levels within the registry team are regularly reviewed to ensure that the increasing complex reporting requirements are handled well. Software systems are also regularly assessed to maintain adequate reporting and data handling processes.

## Objectives and activities

Under its Articles of Association the objects of the Foundation are:

- The provision of part time and full-time training for ordination within their respective churches for members of such Christian denominations as the governors shall from time to time determine.
- The provision of such forms of theological education and training as the governors shall from time to time determine.
- The promotion of research in theology and related subjects.

The Governors are satisfied that the objectives, as stated, meet the public interest criteria of the Charities Act 2011.

## Relationships with the Churches

The fees of candidates for the ordained ministry are funded wholly or in part by the Church of England and the Methodist Church. Close working relationships are maintained on a formal basis through the nomination of Governors as described in a previous section of this Report and by the attendance of officers of these Churches at Governors' meetings. Informal contacts between officers of the Churches and the staff of the Foundation are maintained on a continuing basis. The Foundation's ecumenical ethos is also exemplified in the maintenance of relationships with other churches, especially through relationships with many Pentecostal churches.



## Financial Review

The financial statements that follow have been prepared in accordance with the accounting policies set out on page 13 to 15 and comply with the Foundation's governing documents and applicable law.

Normal activities resulted in a surplus of £125,600 (2018, deficiency of £36,910) before changes in investment values.

Investment values rose due to reasonable investment performance and the year-end valuation produced an unrealised profit on investments of £141,494 (2018, £145,284) this was split between unrestricted funds, £133,534 (2018, £137,406) and restricted funds, £7,960 (2018, £7,878). There were no sales of investments during the year.

The results of the actuarial valuation of the Church Worker's Pension Fund as at 31<sup>st</sup> December 2018 showed that our funding target of £1,238m was lower than its assets which were valued at £1,218m. As a result of the valuation there are additional minor contributions due of £3,953 per annum for 7 years which commenced on 1 April 2018.

## Reserves Policy

The policy of the Governors is to examine the financial situation of the Foundation at regular intervals and create such restricted reserves as seem prudent at that time to meet unavoidable future liabilities. Restricted reserves also include funding donated to the Foundation under terms which require that the resources are identified separately in the institution's accounts.

The free reserves in total amount to £2,449,472 (2018, £2,252,289) which represent 11 months unrestricted operating expenditure. It has been the objective of the Governors to build these reserves up to a sum equal to 12 months unrestricted operating costs of the institution.

The endowment fund owns the leasehold of the campus as its principal asset and both fund and asset are reduced annually in line with depreciation of the leasehold land and buildings. The expectation is that both will be fully written down by the end of the lease in 2062.

## Plans for Future Periods

The business plan is reviewed by Governors throughout the year, the financial forecasting updated and further objectives defined and added within the overall scope of a balanced budget.

## Governors' Responsibilities

The Governors, who are also the directors of The Queen's Foundation for Ecumenical Theological Education for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.





The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts 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.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### Provision of information to auditors

Insofar as the Governors are aware:

- There is no relevant audit information of which the company's auditors are unaware, and
- As the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

#### Auditors

JW Hinks LLP will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the governors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

Revd Kenneth Howcroft  
President of Governors

Date 20/11/2019



## Independent Auditors' Report to the Members of The Queen's Foundation for Ecumenical Theological Education

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### Opinion

We have audited the financial statements of The Queen's Foundation for Ecumenical Theological Education (the 'charitable company') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of cash flows and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Higher Education and Research Act (HERA 2017).

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 2019, and of its incoming resources and application of resources, including its income and expenditure and the application of restricted funds, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have met the requirements of the Office for Students (OfS) accounts direction.

### 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

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the Report of the Governors, 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.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and



- the governors' report have 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 governors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### Responsibilities of trustees

As explained more fully in the governors' responsibilities statement set out on page 6, the governors (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 charitable 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 charitable 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Use of our Report

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

Peter Smith ACA Senior Statutory Auditor  
For and on behalf of  
JW Hicks LLP, Statutory Auditor  
13 Highfield Road  
Edgbaston, Birmingham  
B15 3BH

Date: 20 November 2019

STATEMENT OF FINANCIAL ACTIVITIES (INC INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31st AUGUST 2019

|   | Note       | Unrestricted<br>Funds<br>€ | Restricted<br>Funds<br>€ | Endowment<br>Funds<br>€ | 2019<br>Total<br>€ | 2018<br>Total<br>€ |
|---|------------|----------------------------|--------------------------|-------------------------|--------------------|--------------------|
| <b>INCOME</b>   |            |                            |                          |                         |                    |                    |
| Tuition Fees & Accommodation Charges                        | 14         | 2,104,681                  | -                        | -                       | 2,104,681          | 2,176,412          |
| Investment Income   | 4          | 76,373                     | 5,188                    | -                       | 81,561             | 79,949             |
| Grants and Donations  | 5          | 89,835                     | 248,071                  | -                       | 337,906            | 77,977             |
| <b>TOTAL INCOME</b>   |            | <b>2,270,889</b>           | <b>253,259</b>           | <b>-</b>                | <b>2,524,148</b>   | <b>2,334,338</b>   |
| <b>EXPENDITURE</b>  |            |                            |                          |                         |                    |                    |
| Charitable activities<br>Costs of Providing Education       | 15         | 2,290,662                  | 76,543                   | 92,335                  | 2,398,539          | 2,371,248          |
| <b>TOTAL EXPENDITURE</b>                                    |            | <b>2,290,662</b>           | <b>76,543</b>            | <b>92,335</b>           | <b>2,398,539</b>   | <b>2,371,248</b>   |
| Unrealised gains on investments                             | 6          | 130,534                    | 7,600                    | -                       | 141,404            | 145,284            |
| Realised gains on investments                               | 6          | -                          | -                        | -                       | -                  | -                  |
| <b>NET INCOME/(EXPENDITURE) being net movement in funds</b> |            | <b>175,761</b>             | <b>185,676</b>           | <b>(92,335)</b>         | <b>269,102</b>     | <b>108,374</b>     |
| <b>Reconciliation of funds:</b>                             |            |                            |                          |                         |                    |                    |
| Funds brought forward<br>at 1st September 2018              |            | 3,645,184                  | 609,145                  | 609,030                 | 4,844,288          | 4,735,914          |
| Funds carried forward<br>at 31st August 2019                | 10, 11, 12 | <b>3,818,945</b>           | <b>775,841</b>           | <b>516,694</b>          | <b>5,111,381</b>   | <b>4,844,288</b>   |

All income and expenditure derive from continuing activities.

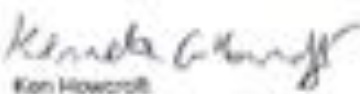


BALANCE SHEET AS AT 31st AUGUST 2019  
COMPANY NUMBER 05511503

|  | Note | 2019             |                         | 2018             |                         |
|--|------|------------------|-------------------------|------------------|-------------------------|
|  |      | £                | £                       | £                | £                       |
| <b>FIXED ASSETS</b>                          |      |                  |                         |                  |                         |
| Tangible Assets                              | 3    | 2,470,701        |                         | 2,383,111        |                         |
| Investments                                  | 6    | 2,482,832        | 4,953,533               | 2,330,321        | 4,723,432               |
| <b>CURRENT ASSETS</b>                        |      |                  |                         |                  |                         |
| Debtors                                      | 7    | 160,948          |                         | 280,328          |                         |
| Short term Deposits                          |      | 5,757            |                         | 5,737            |                         |
| Bank and Cash in hand                        |      | 311,809          |                         | 268,080          |                         |
|  |      | <u>478,514</u>   |                         | <u>579,145</u>   |                         |
| <b>CREDITORS</b>                             |      |                  |                         |                  |                         |
| Amounts falling due within 1 year            | 8    | <u>(315,957)</u> |                         | <u>(453,307)</u> |                         |
| <b>NET CURRENT ASSETS</b>                    |      |                  | <u>162,856</u>          |                  | <u>125,838</u>          |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |      |                  | <u>5,116,381</u>        |                  | <u>4,849,269</u>        |
| <b>CREDITORS</b>                             |      |                  |                         |                  |                         |
| Amounts falling due after more than 1 year   | 9    |                  | (5,000)                 |                  | (5,000)                 |
| <b>NET ASSETS</b>                            |      |                  | <u><u>5,111,381</u></u> |                  | <u><u>4,844,269</u></u> |
| <b>CHARITY FUNDS</b>                         |      |                  |                         |                  |                         |
| Endowment                                    |      |                  | 518,604                 |                  | 608,939                 |
| Restricted                                   | 10   |                  | 775,641                 |                  | 590,165                 |
| Unrestricted (inc Designated Funds)          | 12   |                  | 3,816,940               |                  | 3,645,184               |
| <b>TOTAL CHARITY FUNDS</b>                   |      |                  | <u><u>5,111,381</u></u> |                  | <u><u>4,844,269</u></u> |

The notes on pages 13 to 25 form part of these financial statements.

These financial statements were approved by the board of Governors on 20/11/2019 and are signed on their behalf by:

  
Ken Howcroft

  
David Howlett

The Queen's Foundation For Ecumenical Theological Education

Statement of cashflows for year to 31 August 2019

|   | Note | 2019<br>£             | 2018<br>£             |
|---|------|-----------------------|-----------------------|
| Net Cashflow from operating activities                      | 19   | <u>308,075</u>        | <u>55,888</u>         |
| <b>Property funds</b>                                       |      |                       |                       |
| Payments to acquire fixed assets                            |      | (354,890)             | (219,271)             |
| Payments to acquire investments                             |      | (11,017)              | (10,091)              |
| Receipts from sales of investments                          |      | -                     | -                     |
| Interest received   |      | 81,961                | 79,949                |
| <b>Net cash flow from investing activities</b>              |      | <u>(283,946)</u>      | <u>(150,013)</u>      |
| <b>Net increase/(decrease) in cash and cash equivalents</b> |      | <b>23,729</b>         | <b>(94,125)</b>       |
| Cash and cash equivalents at 31 August 2018                 |      | 293,837               | 387,962               |
| <b>Cash and cash equivalents at 31 August 2019</b>          |      | <u><b>317,566</b></u> | <u><b>293,837</b></u> |
| <b>Cash and cash equivalents consists of:</b>               |      |                       |                       |
| Cash at bank and in hand                                    |      | 311,809               | 288,060               |
| Short term deposits   |      | 5,757                 | 5,777                 |
| <b>Cash and cash equivalents at 31 August 2019</b>          |      | <u><b>317,566</b></u> | <u><b>293,837</b></u> |

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2015

**1 ACCOUNTING POLICIES**

**a General information and basis of preparation**

The Queen's Foundation For Ecumenical Theological Education is a charity limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are the provision of theological education and training and the promotion of research in theology and related subjects.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**b Funds**

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment reserves are those reserves which are only expendable in accordance with the wishes of the funder or regulatory body. Endowment funds represent grants, donations and legacies where the income may be used for general purposes but the capital must be retained.

**c Income recognition**

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

For legacies, entitlement is the order of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.



Income resources from grants, where related to performance and specific deliverables, are accounted for as the charitable company earns the right to consideration by its performance. Where income is received in advance of performance it is treated as deferred income and included within creditors.

#### d Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

#### e Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

|                                 |   |
|---------------------------------|---|
| Land & Buildings - Leasehold    | Nominal £10,000 for expiration of lease<br>4% on cost of major extensions and building works<br>10% on cost of refurbishments |
| Heating & plant                 | 20% of cost   |
| Motor vehicles                  | 25% on cost written down to a minimum of £1   |
| Audio visual equipment          | 30% on written down value or subsequent cost  |
| Mowers & garden equipment       | 20% - 30% on cost   |
| Computers                       | 30% on cost   |
| All other furniture & equipment | 20% - 30% on written down value   |

#### f Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

#### g Stocks

All sundry food and materials are written off in the year of purchase.

#### h Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

#### i Leases

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

#### j Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The charity operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.





The charity operates a defined benefit plan for the benefit of its employees. A liability for the charity's obligations under the plan is recognised net of plan assets if required. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

**h Tax**

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

**i Going concern**

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.



### 3 TANGIBLE FIXED ASSETS

| Cost                                 | Long Leasehold        |                            |                      | Total<br>€       |
|--------------------------------------|-----------------------|----------------------------|----------------------|------------------|
|                                      | Land & Buildings<br>€ | Furniture & Equipment<br>€ | Heating & Plant<br>€ |                  |
| Balance at 1st September 2018        | 4,345,025             | 546,255                    | 176,244              | 5,067,524        |
| Additions                            | 354,800               | -                          | -                    | 354,800          |
| Total cost at 31 August 2019         | <u>4,699,825</u>      | <u>546,255</u>             | <u>176,244</u>       | <u>5,422,324</u> |
| <b>Accumulated depreciation</b>      |                       |                            |                      |                  |
| Balance at 1st September 2018        | 2,213,044             | 303,609                    | 127,706              | 2,644,359        |
| Charge for the year                  | 206,266               | 64,436                     | 7,679                | 278,381          |
| Total depreciation at 31 August 2019 | <u>2,419,310</u>      | <u>368,045</u>             | <u>135,385</u>       | <u>2,922,740</u> |
| <b>Net book value</b>                |                       |                            |                      |                  |
| At 31st August 2019                  | <u>2,280,515</u>      | <u>178,210</u>             | <u>40,859</u>        | <u>2,499,584</u> |
| At 31st August 2018                  | <u>2,131,981</u>      | <u>242,646</u>             | <u>48,478</u>        | <u>2,423,105</u> |

### 4 INVESTMENT INCOME

|                                      | 2019<br>€     | 2018<br>€     |
|--------------------------------------|---------------|---------------|
| Interest - Investment funds          | 40,870        | 40,574        |
| Interest - Property funds            | 28,275        | 18,576        |
| Interest - Fixed Interest Securities | 1,057         | 1,057         |
| Interest on cash deposits            | 342           | 51            |
| Interest reinvested                  | 11,017        | 13,691        |
|                                      | <u>81,561</u> | <u>74,950</u> |

Of the above, €76,372 was unrestricted (2018: €76,288) and €5,189 was restricted (2017: €3,061).

### 5 GRANTS AND DONATIONS

|                                     | 2019<br>€      | 2018<br>€     |
|-------------------------------------|----------------|---------------|
| Methodist Church                    | 266,071        | 8,000         |
| World Church Funding                | 47,708         | -             |
| Legisy                              | 20,250         | 60,000        |
| Grimm Trust                         | 3,500          | 3,500         |
| Seedcorn Grant (Durham University)  | 2,408          | -             |
| Grant for Deibelator                | 2,000          | -             |
| St Boniface Trust (Mission)         | 1,273          | 1,321         |
| United Friends of Queens            | 1,159          | 959           |
| International Student Support Grant | 1,050          | -             |
| St Peter's Sallay                   | -              | 300           |
| Other donations less than €1,000    | 2,487          | 3,797         |
|                                     | <u>337,806</u> | <u>77,977</u> |

Of the above, €23,896 was unrestricted (2018: €77,977) and €314,010 was restricted (2018: €0).



**6 FIXED ASSET INVESTMENTS**

|  | 2019<br>€        | 2018<br>€        |
|--|------------------|------------------|
| Market value at 1st September 2019       | 2,330,321        | 2,174,346        |
| Dividends received and reinvested        | 11,017           | 10,691           |
| Purchase of investments                  | -                | -                |
| Sale of investments                      | -                | -                |
| Profit on sale/redemption of investments | -                | -                |
| Net unrealised profit on revaluation     | 141,404          | 145,264          |
| Market value at 31st August 2019         | <u>2,482,832</u> | <u>2,330,321</u> |
| Historical cost at 31st August 2019      | <u>976,258</u>   | <u>967,241</u>   |

The investments comprise of a portfolio of funds managed by CCLA Investment Management Ltd.

|  | 2019<br>€        | 2018<br>€        |
|--|------------------|------------------|
| Investments at market value comprise:        |                  |                  |
| Investment fund income shares                | 2,115,775        | 1,960,758        |
| Property funds                               | 340,111          | 343,537          |
| Fixed interest securities fund income shares | 26,946           | 26,026           |
|  | <u>2,482,832</u> | <u>2,330,321</u> |



**7 DEBTORS**

|                              | 2019<br>£      | 2018<br>£      |
|------------------------------|----------------|----------------|
| Debtors                      | 176,236        | 262,169        |
| Other Debtors                | 38,204         | 47,129         |
| Provision for Doubtful Debts | (51,494)       | (41,972)       |
|                              | <u>162,946</u> | <u>267,326</u> |

**8 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR**

|                            | 2019<br>£      | 2018<br>£      |
|----------------------------|----------------|----------------|
| Trade Creditors            | 130,443        | 367,666        |
| Other Creditors            | 10,336         | 18,026         |
| Tax & Social Security      | 21,064         | 23,033         |
| Accruals & deferred income | 153,822        | 24,780         |
|                            | <u>415,665</u> | <u>433,505</u> |

Included within other creditors is £3,483 (2018 - £3,812) held on behalf of third parties. These funds are included within investments and bank.

**9 CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR**

|                                | 2019<br>£    | 2018<br>£    |
|--------------------------------|--------------|--------------|
| Loan from the Methodist Church | 5,000        | 5,000        |
|                                | <u>5,000</u> | <u>5,000</u> |

The loan from the Methodist Church is to support the Research Centre. The loan is interest free.

## 10 RESTRICTED FUNDS

|                                | Movement in Funds        |                            |                               | Balance<br>31/03/19<br>£ |
|--------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------|
|                                | Balance<br>01/04/18<br>£ | Incoming<br>Resources<br>£ | (Expenditure)<br>& Gains<br>£ |                          |
| Consolidated Fund              | 120,925                  | 3,418                      | 7,860                         | 132,303                  |
| Methodist Building Grants:     |                          |                            |                               |                          |
| Library Extension              | 284,687                  | -                          | (22,118)                      | 262,569                  |
| New Building Refurbishment     | 102,000                  | -                          | (6,800)                       | 95,200                   |
| Heating overhaul               | -                        | 248,371                    | (24,887)                      | 223,484                  |
| Mission Centre Fund            | 79,243                   | -                          | (21,713)                      | 57,530                   |
| Principal's Discretionary Fund | 3,318                    | 1,773                      | (100)                         | 4,991                    |
|                                | <u>590,193</u>           | <u>253,252</u>             | <u>(67,583)</u>               | <u>775,862</u>           |

The Consolidated Fund is an amount held in investments which is available at the jurisdiction of the Principal and Director of Finance & Operations to secure student protection.

The Methodist Library Fund provided for the extension of the existing library to house the book collection of the Selby Oak Centre for Mission Studies.

The New Building grant represents part cost of the refurbishment of living accommodation for international mission students.

The Mission Centre Fund comprises a share of the funds released by the winding up of the Selby Oak Colleges Endowment Fund and are available for appropriate projects.

The Principal's Discretionary Fund consists of a deposit and bank accounts set aside to support the living costs of needy students.

### COMPARATIVES FOR RESTRICTED FUNDS

|                                | Movement in Funds        |                            |                               | Balance<br>31/03/18<br>£ |
|--------------------------------|--------------------------|----------------------------|-------------------------------|--------------------------|
|                                | Balance<br>01/04/17<br>£ | Incoming<br>Resources<br>£ | (Expenditure)<br>& Gains<br>£ |                          |
| Consolidated Fund              | 109,896                  | 3,351                      | 7,878                         | 120,925                  |
| Methodist Building Grants:     |                          |                            |                               |                          |
| Library Extension              | 306,805                  | -                          | (22,118)                      | 284,687                  |
| New Building Refurbishment     | 106,800                  | -                          | (6,800)                       | 100,000                  |
| Mission Centre Fund            | 67,729                   | -                          | (8,486)                       | 59,243                   |
| Principal's Discretionary Fund | 3,055                    | 310                        | (47)                          | 3,318                    |
|                                | <u>518,285</u>           | <u>3,661</u>               | <u>(29,551)</u>               | <u>590,395</u>           |

## 11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
|---------------------------|----------------------------|--------------------------|-------------------------|---------------------|
| Tangible Fixed Assets     | 1,369,474                  | 584,624                  | 516,604                 | 2,470,702           |
| Investments               | 2,300,529                  | 132,303                  | -                       | 2,432,832           |
| Current Assets            | 419,900                    | 58,914                   | -                       | 478,814             |
| Debtors - Within one year | (210,607)                  | -                        | -                       | (210,607)           |
| - After one year          | (5,000)                    | -                        | -                       | (5,000)             |
|                           | <u>3,818,996</u>           | <u>775,841</u>           | <u>516,604</u>          | <u>5,111,441</u>    |

NOTE : The Endowment Fund includes grants repayable on the dissolution of the College to:

|   |                |
|---|----------------|
| The Central Board of Finance of the Church of England | 150,400        |
| The Trustees for Methodist Church Purposes            | 128,568        |
|   | <u>278,968</u> |

The Restricted Fund includes grants repayable on the dissolution of the College to:

|  |                |
|--|----------------|
| The Trustees for Methodist Church Purposes | <u>533,573</u> |
|--|----------------|

### COMPARATIVE FOR ANALYSIS OF NET ASSETS BETWEEN FUNDS

|                           | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
|---------------------------|----------------------------|--------------------------|-------------------------|---------------------|
| Tangible Fixed Assets     | 1,303,894                  | 590,278                  | 638,939                 | 2,533,111           |
| Investments               | 2,321,278                  | 106,043                  | -                       | 2,427,321           |
| Current Assets            | 488,319                    | 90,844                   | -                       | 579,163             |
| Debtors - Within one year | (453,307)                  | -                        | -                       | (453,307)           |
| - After one year          | (5,000)                    | -                        | -                       | (5,000)             |
|                           | <u>3,645,184</u>           | <u>787,165</u>           | <u>638,939</u>          | <u>4,844,288</u>    |

## 12 UNRESTRICTED FUNDS

### Designated Funds

|  | Balance<br>01/09/18<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Gains, (Losses)<br>& Allocations<br>£ | Balance<br>31/08/19<br>£ |
|--|--------------------------|----------------------------|----------------------------|---------------------------------------|--------------------------|
| AD 2062 Stephen Lloyd Fund             | 635,894                  | 11,017                     | -                          | -                                     | 646,911                  |
| Research Fund                          | 123,919                  | -                          | (22,485)                   | -                                     | 101,434                  |
| Church Workers' Pension Fund Liability | 195,531                  | -                          | -                          | -                                     | 195,531                  |
|  | <u>955,344</u>           | <u>11,017</u>              | <u>(22,485)</u>            | <u>-</u>                              | <u>943,866</u>           |

The AD2062 Stephen Lloyd Fund is set up to provide resources for the renewal of the lease in 2062.

The Research Fund was set up when the assets of the Research Fellowship Trust were transferred to the Foundation and is created to support the objectives of research and research fellowships.

The Church Workers' Pension Fund liability is to provide cover for any future liability within this scheme following an actuarial valuation.

### Unrestricted Funds

|                    | Balance<br>01/09/18<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Gains, (Losses)<br>& Allocations<br>£ | Balance<br>31/08/19<br>£ |
|--------------------|--------------------------|----------------------------|----------------------------|---------------------------------------|--------------------------|
| Designated funds   | 955,144                  | 11,017                     | (22,485)                   | -                                     | 943,666                  |
| Unrestricted Funds | 2,690,048                | 2,259,872                  | (2,208,197)                | 133,534                               | 2,875,255                |
|                    | <u>3,645,192</u>         | <u>2,270,889</u>           | <u>(2,230,682)</u>         | <u>133,534</u>                        | <u>3,818,921</u>         |

### Comparatives for Designated Funds

|  | Balance<br>01/09/17<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Gains, (Losses)<br>& Allocations<br>£ | Balance<br>31/08/18<br>£ |
|--|--------------------------|----------------------------|----------------------------|---------------------------------------|--------------------------|
| AD 2062 Stephen Lloyd Fund             | 625,003                  | 10,691                     | -                          | -                                     | 635,694                  |
| Research Fund                          | 145,409                  | -                          | (21,490)                   | -                                     | 123,919                  |
| Church Workers' Pension Fund Liability | 195,531                  | -                          | -                          | -                                     | 195,531                  |
|  | <u>965,943</u>           | <u>10,691</u>              | <u>(21,490)</u>            | <u>-</u>                              | <u>955,144</u>           |

### Comparatives for Unrestricted Funds

|                    | Balance<br>01/09/17<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Gains, (Losses)<br>& Allocations<br>£ | Balance<br>31/08/18<br>£ |
|--------------------|--------------------------|----------------------------|----------------------------|---------------------------------------|--------------------------|
| Designated funds   | 955,943                  | 10,091                     | (21,490)                   | -                                     | 944,544                  |
| Unrestricted Funds | 2,452,602                | 2,319,985                  | (2,219,954)                | 137,400                               | 2,690,048                |
|                    | <u>3,408,545</u>         | <u>2,330,076</u>           | <u>(2,241,444)</u>         | <u>137,400</u>                        | <u>3,645,194</u>         |



13 A current year 12 months and prior year 12 months combined position is as follows:

**RESTRICTED FUNDS**

|                                | Balance        | Movement in Funds  |                       | Balance        |
|--------------------------------|----------------|--------------------|-----------------------|----------------|
|                                | 01/09/17       | Incoming Resources | (Expenditure) & Gains | 31/08/19       |
|                                | £              | £                  | £                     | £              |
| Consolidated Fund              | 108,698        | 6,769              | 15,838                | 132,305        |
| Methodist Building Grants      |                |                    |                       |                |
| Library Extension              | 306,805        | -                  | (44,236)              | 262,569        |
| New Building Refurbishment     | 108,600        | -                  | (13,600)              | 95,000         |
| Heating overhaul               |                | 248,071            | (24,807)              | 223,264        |
| Music Centre Fund              | 87,729         | -                  | (30,199)              | 57,530         |
| Principal's Discretionary Fund | 3,000          | 2,000              | (170)                 | 4,830          |
|                                | <u>618,632</u> | <u>256,840</u>     | <u>(87,174)</u>       | <u>788,300</u> |

**UNRESTRICTED FUNDS**

**Designated Funds**

|  | Balance        | Incoming Resources | Resources Expended | Gains, (Losses) & Allocations | Balance        |
|--|----------------|--------------------|--------------------|-------------------------------|----------------|
|  | 01/09/17       | £                  | £                  | £                             | 31/08/19       |
|  | £              | £                  | £                  | £                             | £              |
| AO 2002 Stephen Lloyd Fund             | 625,000        | 21,708             | -                  | -                             | 646,711        |
| Research Fund                          | 140,809        | -                  | (43,000)           | -                             | 97,809         |
| Church Workers' Pension Fund Liability | 195,531        | -                  | -                  | -                             | 195,531        |
|  | <u>961,340</u> | <u>21,708</u>      | <u>(43,000)</u>    | <u>-</u>                      | <u>940,048</u> |

**Unrestricted Funds**

|                    | Balance          | Incoming Resources | Resources Expended | Gains, (Losses) & Allocations | Balance          |
|--------------------|------------------|--------------------|--------------------|-------------------------------|------------------|
|                    | 01/09/17         | £                  | £                  | £                             | 31/08/19         |
|                    | £                | £                  | £                  | £                             | £                |
| Designated funds   | 961,340          | 21,708             | (43,000)           | -                             | 940,048          |
| Unrestricted Funds | 2,452,802        | 4,376,800          | (4,428,151)        | 278,040                       | 2,681,250        |
|                    | <u>3,414,142</u> | <u>4,401,568</u>   | <u>(4,471,151)</u> | <u>278,040</u>                | <u>3,661,298</u> |

#### 14 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

|   | 2019<br>€               | 2018<br>€               |
|---|-------------------------|-------------------------|
| <b>Student Fees</b>                           |                         |                         |
| Centre for Ministerial Formation              | 1,050,521               | 1,736,039               |
| Centre for Mission Studies                    | 18,833                  | 14,129                  |
| Non-Residential tuition                       | 140,125                 | 142,462                 |
| Research Centre                               | 17,362                  | 58,518                  |
|   | <u>1,835,829</u>        | <u>1,953,148</u>        |
| <b>Accommodation Charges</b>                  |                         |                         |
| Married accommodation                         | 122,551                 | 124,773                 |
| Lettings of single rooms etc.                 | 93,279                  | 91,683                  |
| Conferences, guests etc.                      | 53,322                  | 18,811                  |
|   | <u>269,152</u>          | <u>235,267</u>          |
| <b>Total Fees &amp; Accommodation Charges</b> | <u><u>2,104,981</u></u> | <u><u>2,178,415</u></u> |

#### 15 ANALYSIS OF CHARITABLE EXPENDITURE

|   | 2019<br>€        | 2018<br>€        |
|---|------------------|------------------|
| <b>Academic &amp; Library Costs</b>         | 1,131,569        | 1,095,624        |
| Administrative Costs (excluding Governance) | 457,505          | 445,158          |
| Catering Costs                              | 206,459          | 208,320          |
| Domestic Costs                              | 67,147           | 63,606           |
| Premises Costs                              | 518,537          | 562,666          |
| Governance Costs                            | 37,322           | 25,875           |
|   | <u>2,398,538</u> | <u>2,371,249</u> |

#### 15a GOVERNANCE COSTS

|                              | 2019<br>€     | 2018<br>€     |
|------------------------------|---------------|---------------|
| Salaries - operational staff | 20,562        | 22,000        |
| Audit fee                    | 5,760         | 3,879         |
| Auditors non-audit fees      | 1,000         | -             |
|                              | <u>27,322</u> | <u>25,879</u> |





## 16 STAFF EMOLUMENTS

|                    | 2019<br>€        | 2018<br>€        |
|--------------------|------------------|------------------|
| Salary Costs       | 1,108,558        | 1,125,814        |
| National Insurance | 77,126           | 82,827           |
| Pension Costs      | 139,817          | 143,899          |
|                    | <u>1,325,501</u> | <u>1,352,540</u> |

No employee received emoluments, as defined for tax purposes of over €80,000 in either year.

The average monthly number of employees and full time equivalent (FTE) during the year was as follows:

|                           | 2019<br>FTE | 2019<br>Number | 2018<br>FTE | 2018<br>Number |
|---------------------------|-------------|----------------|-------------|----------------|
| Academic and Library      | 15.6        | 18.5           | 16.3        | 19.0           |
| Administrative and Others | 15.1        | 20.0           | 18.6        | 26.0           |
|                           | <u>30.7</u> | <u>38.5</u>    | <u>34.9</u> | <u>45.0</u>    |

The total amount of employee benefits received by key management personnel is €318,802 (2018: €318,727).

## 17 AUDITORS REMUNERATION

|  | 2019<br>€    | 2018<br>€    |
|--|--------------|--------------|
| The auditors remuneration is comprised of: |              |              |
| Audit Fees                                 | 5,760        | 5,760        |
| Other Services                             | 1,000        | -            |
|  | <u>6,760</u> | <u>5,760</u> |

## 18 TRUSTEES REMUNERATION

Trustees received €412 for the reimbursement of travelling expenses during the year (2018: £258).

No trustee received any remuneration during the year (2018: £nil).

## 18a FINANCIAL COMMITMENTS

### Operating lease commitments

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

|  | 2019<br>€ | 2018<br>€ |
|--|-----------|-----------|
| Not later than one year                      | 8,632     | 8,632     |
| Later than one and not later than five years | 17,265    | 25,867    |
| Later than five years                        | -         | -         |

## 19 RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

|  | 2019<br>€      | 2018<br>€     |
|--|----------------|---------------|
| Net income/(expenditure) for the year                | 267,103        | 108,314       |
| Interest receivable                                  | (81,561)       | (79,949)      |
| Depreciation and impairment of tangible fixed assets | 277,300        | 231,731       |
| (Gains) on investments                               | (141,494)      | (145,284)     |
| (Increase) / decrease in debtors                     | 124,377        | (49,548)      |
| Increase / (decrease) in creditors                   | (137,650)      | (9,338)       |
| Net cash flow from operating activities              | <u>308,075</u> | <u>55,893</u> |

## 20 PENSION COSTS

The Foundation contributes to non-contributory defined benefit schemes operated by the Church of England for ordained clergy (CEPPS) and non-ordained employees (CWPF). Where appropriate the Foundation also contributes to the Methodist Ministers Pension Fund (MMPF), which is also a defined benefit scheme. For staff not covered in the above arrangements a stakeholder (defined contribution) pension scheme is operated with Friends Life & Pensions Ltd (FL).

During the year the Foundation's contributions were:

|       | 2019<br>€      | 2018<br>€      |
|-------|----------------|----------------|
| CEPPS | 38,088         | 37,351         |
| CWPF  | 12,057         | 10,429         |
| MMPF  | 32,506         | 31,683         |
| FL    | 47,280         | 56,426         |
|       | <u>130,531</u> | <u>135,889</u> |

All three of the defined benefit schemes in place are accounted for as defined contribution schemes because sufficient information is not available to use defined benefit accounting.

### CEPPS

The CEPPS is a defined benefit scheme and considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme.

At the latest valuation on 31 December 2018, contributions were retained at a rate equivalent to 39.9% of stipends.

### CWPF

The Queen's Foundation (QF) participates in the Defined Benefits Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers. The Foundation closed the scheme to new members in 2005.

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.

The Defined Benefits Scheme (DBS) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the DBS into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the DBS are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102 and as such 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 payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

If, following an actuarial valuation of the Life Risk Pool, there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2018. In this valuation, the Foundation's share of the underlying assets and liabilities was shown to be a deficit of €20,400. With effect from 1 April 2018 the Foundation will need to pay annual deficit contributions of €4,737.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of €4,500 per year.

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

