The Queen's Foundation

# THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

## ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

**(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 2023

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# Governors 2022-23

**Nominated Governors**

· The Ven. Simon Heathfield (Anglican), Archdeacon of Aston (West Midlands Bishops' nominee, until 17 November 2022)

· Dr Rachel Jepson (Anglican), General Synod Representative (until 17 November 2022), then continuing as a co-opted member.

· The Revd Helen Kirk (Methodist), Chair of Chester and Stoke-on-Trent District (nominated by the Methodist Council)

-The Revd Deborah Caulk (Methodist), Circuit minister, The Fens Circuit (Nominated by the Methodist Council) (from 16 March 2023)

· Mr David Hermitt (Anglican), (Nominated by the General Synod) (from 17 November 2022)

· The Rt Revd Robert Springett (Anglican), Bishop of Tewkesbury (West Midlands Bishops' nominee, from 17 November 2022)

**Co-opted Governors**

· The Rt Rev Paul Bayes, (Anglican) President of the Governing Body

· The Revd Kenneth Howcroft (Methodist) Vice President of the Governing Body

· Revd Dr Claire Maxim (Anglican), Priest in Charge of North Tyne & Redesdale

· Professor Helen Dent, (Anglican), Reader (until 13 July 2023)

· Mrs Mavis Jones (Wesleyan Holiness Church)

· The Revd Chris Collins (Methodist, South Worcestershire Circuit) (until 13 July 2023)

· Mrs Barbara Easton (Methodist) (from 17 November 2022)

· Canon Dr Sanjeevani Perera (Anglican) (from 13 July 2023)

· Revd Dr Miranda Threlfall-Holmes (Anglican), Archdeacon of Liverpool (from 17 November 2022)

| **Auditors** | **Bankers** | **Solicitors** |
|---|---|---|
| JW Hinks LLP<br>19 Highfield Road<br>Edgbaston<br>Birmingham B15 3BH | Bank of Scotland<br>55 Temple Row<br>Birmingham<br>B2 5LS | Anthony Collins<br>134 Edmund Street<br>Birmingham<br>B3 2ES |

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# STATEMENT OF CORPORATE GOVERNANCE

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 2023. 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 14 to 16 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 Governors Introduction**

2022-23 was a more stable year than the previous two. If we are not 'post-Covid' entirely, this was the first year since 2018-19 not to be substantially disrupted by the pandemic. We welcomed two new full-time academic staff at the end of the academic year, Dr Andrew Mein as Director of Research and Dr Jo Henderson-Merrygold as Director of the Centre for Discipleship and Theology. Student numbers dipped in 22-23 and have done so again for the Sept 23 intake before we expect an upturn (for a variety of reasons) in many areas of our work in Sept 24. A particular highlight of 22-23 was again being able – on June 10th 2023 – to hold the end-of-year celebratory Foundation Event in person, as well as supporting two overseas visits by students and staff teams (to our partner institutions in Rwanda in May, and to Sri Lanka in July).

Strategic Plan. The priorities of the (three-year) Strategic Plan agreed in 2020 remain in place: development particularly in the areas of Black Theology, Distance Learning and the capacity-building work with international research students in Rwanda and Sri Lanka funded by the Partnership in Theological Education (PITE). The fact that we were able to welcome for the first time onto campus students from our partner institutions (for their 3-month study stays) was a major turning-point.

Bursary Funding. The generous grant of £100k from the Don and Patricia Marsh Trust, supplemented by £50k from the Westminster College Oxford Trust, was able to be used to offer, for the first time, from January 2023 bursary funding especially to lay people needing encouragement to dip their toe into the world of theological education. The first awards made to students will be taken up from September 2023.

Partnerships with Churches. Our two key current, formal links with the Church of England and the Methodist Church remain strong and healthy. The continuing impact of Covid upon those testing their vocations through the churches' selection procedures and significant changes in the discernment processes of the Church of England are two reasons why Anglican numbers are low for the moment. Changes in the Methodist Church's candidating process may mean, however, that there will be a significant increase in numbers from Sept 2024. The task of exploring further the conversations which had begun with Pentecostal denominations about possible formal partnerships remains ongoing.

**Staff Publications (2022-3)**

Academic staff continue to have been active in research and in producing publications. These include:

Dr Dave Allen, "Something Old, Something New: The Origin of the Song of Moses in Rev 15.3," in Susan Docherty and Steve Smith (eds.) *The Scriptures in the Book of Revelation and Apocalyptic Literature* (LNTS 634. London: T&T Clark 2023), 53-64.

- "Choose (Intertextual) Life: Echoes of Deuteronomy 30 in the New Testament – a Case Study," in J. Coutts *et al* (eds.) *It's About Life: The Formative Power of Scripture* (Vancouver: Regent Publishing 2023), 7-29.

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Prof Robert Beckford, *Decolonizing Contemporary Gospel Music Through Praxis: Handsworth Revolutions (Bloomsbury Studies in Black Religion and Cultures)* (London and New York: Bloomsbury Academic 2023)

Revd Mark Earey, *Church of England Worship: A Basic Guide* (Cambridge, Grove Books Ltd 2023).

Prof. Clive Marsh, 'Apocalyptic on Screen - Can the Hermeneutical Flow Really be Reversed? The TV Drama Series *Years and Years* and the Book of Revelation' in Susan Docherty and Steve Smith (eds.) *The Scriptures in the Book of Revelation and Apocalyptic Literature* (LNTS 634. London: T&T Clark 2023), 131-144.

Dr Rachel Starr, 'Marriage and LLF', *Modern Believing* 64, 1 (2003), 17-25.

- Cocksworth, Ashley, Rachel Starr and Stephen Burns (eds), *From the Shores of Silence: Conversations in Feminist Practical Theology* (London: SCM Press 2023).

- 'Unbecoming: reflections on the work of a white theologian,' in Anthony G. Reddie and Carol Troupe (eds), *Deconstructing Whiteness, Empire and Mission* (London: SCM Press 2023), 225–244.

Revd Dr Carlton Turner and Nick Russell, 'Eltham: The Limits of Being Christian', in Al Barrett (ed.), *Finding the Treasure: Good News from the Estates: Reflections from the Church of England Estates Theology Project* (London: SPCK 2023), 55-69.

**Administrative staff changes**

There has been ongoing re-organisation within the Professional Services Team, though the internal move made by Katie Cooper from a Centre for Ministerial Formation administrative role to the post of Registry Manager has been a great success, as has Kate Knight's dual role as Foundation Administrator and Ministerial Formation administrator. Naina Jassal joined the Registry team, and a number of part-time reception staff saw us through the year. We have finally filled the front-of-house administrator post and still seek more reception support. We have also found it difficult to fill a Facilities Supervisor post, but the expansion of Georgina Bewley's Campus Manager role has worked well.

**Governing Documents**

The Queen's Foundation for Ecumenical Theological Education is a company limited by guarantee governed by its Articles of Association dated 30th 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 twelve members (Governors).

**Appointment of Governors**

The governance of the Foundation is the responsibility of the Governors, 4 of whom are nominated and 12 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. The Governors serve as directors of the limited company.

**Trustee Training**

The Foundation arranges periodic training events for Governors.

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**Organisation**

The Governors 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 nominations 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 comprises the Principal, the Academic Dean, the Directors of each of the five Formation and Teaching Centres, the Director of Operations and the Director of Finance. They meet monthly to discuss current strategic matters affecting all aspects of the Foundation and their work is supported by a Senior Management Group comprising the Principal, the Academic Dean, the Director of Operations and the Director of Finance, which acts on matters deriving from the Leadership Team, and steers matters to it for policy and strategic consideration.

**Remuneration of academic staff**

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 to either the church schemes to whom ordained ministers belong or to the Foundation's defined contribution scheme.

**Risk Management & Internal Control**

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 Foundation manages risk through preparing internally a risk register which is regularly monitored and presented for review at the thrice-yearly Audit Committee. The primary objectives of the Foundation are kept in view throughout. Financial components are contained within the register.

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 HR issues and maintaining satisfactory recruitment levels to ensure staff are fully engaged.
- Development of the 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 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 an informal partnership with the Wesleyan Holiness Church, relationships with many Pentecostal churches and partnerships with a number of dioceses to provide training for Readers in the Church of England and ongoing development for Methodist probationer and Anglican curates.

**Financial Review**

The financial statements that follow have been prepared in accordance with the accounting policies set out on page 14 to 16 and comply with the Foundation's governing documents and applicable law. Normal activities resulted in a deficit of £337,996 before changes in investment values.

Investment values fell during the year, with the year-end valuation producing an unrealised loss on investments of £114,613 (2022: loss of £79,086). This was split between unrestricted funds £112,213 and restricted funds of £2,400. £250,000 of investments were sold during the year (2022: £nil).

**Reserves Policy**

The policy of the Governors is to examine the financial situation of the Foundation at regular intervals and create such restricted and designated 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 £2,204,064 (2022: £2,680,952). Included in this free reserves total are Designated funds amounting to £1,784,586 (including a 6 month operating expense reserve), leaving undesignated free reserves of £419,478.

It is the objective of the Governors to keep designated free reserves at a sum equal to 6 months unrestricted operating costs of the institution. Other reserves will be used for campus investment to be undertaken, a bursary fund (to match newly found funds) and keeps a disaster fund for emergencies. The reserves will be cautiously and purposefully managed in line with these strategic aims.

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 Queens 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 were appointed auditors during the year and they 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.

+Paul Bayes:

Rt Revd Paul Bayes
President of Governors

Date: 5-12-2023

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## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION (REGISTERED NUMBER: 05511503)

### 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and 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 (United Kingdom Generally Accepted Accounting Practice) and the Higher Education and Research Act (HERA 2017) and the requirements of OfS.

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 2023 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- funds from providers for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- the requirements of the OfS's accounts direction have been met.

### 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 Auditors' 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 governors' 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 governors with respect to going concern are described in the relevant sections of this report.

### Other information

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the 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 Report of the Governors.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

**Responsibilities of governors**

As explained more fully in the Statement of Governors' Responsibilities, 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 governors 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 governors 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 governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Our 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 a Report of the Independent Auditors 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 financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

- Enquiring with management and others to gain an understanding of the organisation itself including operations, financial reporting and known fraud or error.
- Evaluating and understanding the internal control system.
- Performing analytical procedures as expected or unexpected variances in account balances or classes of transactions appear.
- Testing documentation supporting account balances or classes of transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.
This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. This description forms part of our Report of the Independent Auditors.

**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 auditors' 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.

James Cruse ACA, FCCA, BSc (Econ) Hons (Senior Statutory Auditor)
for and on behalf of J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Date: 05/12/2023

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**STATEMENT OF FINANCIAL ACTIVITIES (inc INCOME AND EXPENDITURE ACCOUNT)**
**FOR THE YEAR ENDED 31st AUGUST 2023**

| | Note | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | 2023 Total £ | 2022 Total £ |
|---|---|---|---|---|---|---|
| **INCOME** | | | | | | |
| Tuition Fees & Accommodation Charges | 12 | 1,551,077 | 158,195 | - | 1,709,272 | 1,951,256 |
| Investment Income | 3 | 78,439 | 3,847 | - | 82,286 | 86,564 |
| Grants and Donations | 4 | 45,969 | 210,000 | - | 255,969 | 155,394 |
| Other Income | 13 | 3,726 | 53,042 | - | 56,768 | 33,968 |
| **TOTAL INCOME** | | **1,679,211** | **425,084** | **-** | **2,104,295** | **2,227,182** |
| **EXPENDITURE** | | | | | | |
| **Charitable activities Costs of Providing Education** | 14 | 2,135,821 | 215,108 | 91,362 | 2,442,291 | 2,463,786 |
| **TOTAL EXPENDITURE** | | **2,135,821** | **215,108** | **91,362** | **2,442,291** | **2,463,786** |
| **NET INCOME/(EXPENDITURE) before gains/losses** | | **(456,610)** | **209,976** | **(91,362)** | **(337,996)** | **(236,604)** |
| Unrealised gains/(losses) on investments | 5 | (112,213) | (2,400) | - | (114,613) | (79,086) |
| Realised gains/(losses) on investments | 5 | (4,137) | - | - | (4,137) | - |
| **NET INCOME/(EXPENDITURE) being net movement in funds** | | **(572,960)** | **207,576** | **(91,362)** | **(456,746)** | **(315,690)** |
| **Reconciliation of funds:** Funds brought forward at 1st September 2022 | | 4,033,010 | 947,061 | 239,830 | 5,219,901 | 5,535,592 |
| **Funds carried forward at 31st August 2023** | 8,9,10 | **3,460,050** | **1,154,637** | **148,468** | **4,763,155** | **5,219,901** |

All income and expenditure derive from continuing activities.

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**BALANCE SHEET AS AT 31st AUGUST 2023**
**COMPANY NUMBER 05511503**

| | Note | 2023 £ | £ | 2022 £ | £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible Assets | 2 | 1,770,007 | | 2,011,746 | |
| Investments | 5 | 2,558,087 | | 2,912,914 | |
| | | | 4,328,094 | | 4,924,660 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 6 | 107,820 | | 202,519 | |
| Short term Deposits | | 5,757 | | 5,757 | |
| Bank and Cash in hand | | 459,668 | | 233,972 | |
| | | 573,245 | | 442,248 | |
| **CREDITORS** | | | | | |
| Amounts falling due within 1 year | 7 | (138,184) | | (147,007) | |
| **NET CURRENT ASSETS** | | | 435,061 | | 295,241 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 4,763,155 | | 5,219,901 |
| **NET ASSETS** | | | **4,763,155** | | **5,219,901** |
| **CHARITY FUNDS** | | | | | |
| Endowment | | | 148,468 | | 239,830 |
| Restricted | 8 | | 1,154,637 | | 947,061 |
| Unrestricted (inc Designated Funds) | 10 | | 3,460,050 | | 4,033,010 |
| **TOTAL CHARITY FUNDS** | | | **4,763,155** | | **5,219,901** |

The notes on pages 14 to 29 form part of these financial statements.

These financial statements were approved by the Board of Governors on 5-12-2023 and are signed on their behalf by:

+ Paul Bayes

Rt Revd Paul Bayes - President of Governors

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**The Queen's Foundation For Ecumenical Theological Education**

**Statement of cashflows for year to 31 August 2023**

| | Note | 2023 | 2022 |
|---|---|---|---|
| | | £ | £ |
| **Net Cashflow from operating activities** | 20 | (79,449) | 149,992 |
| **Property funds** | | | |
| Payments to acquire fixed assets | | (13,219) | (164,626) |
| Payments to acquire investments | | (13,922) | (13,269) |
| Receipts from sales of investments | | 250,000 | - |
| Interest received | | 82,286 | 86,564 |
| **Net cash flow from investing activities** | | 305,145 | (91,331) |
| **Net increase/(decrease) in cash and cash equivalents** | | 225,696 | 58,661 |
| **Cash and cash equivalents brought forward:** | | 239,729 | 181,069 |
| **Cash and cash equivalents at year end:** | | 465,425 | 239,729 |
| **Cash and cash equivalents consists of:** | | | |
| Cash at bank and in hand | | 459,668 | 233,972 |
| Short term deposits | | 5,757 | 5,757 |
| **Cash and cash equivalents:** | | 465,425 | 239,729 |

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**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2023**

## I 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 financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements are prepared on a going concern basis under the historical cost convention.

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 earlier 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.

Incoming 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 | 33% on written down value or subsequent cost |
| Mowers & garden equipment | 20% - 33% on cost |
| Computers | 33% on cost |
| All other furniture & equipment | 20% - 33% on written down value |

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**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.

**k 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.

**l 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.

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## 2 TANGIBLE FIXED ASSETS

| Cost | Long Leasehold Land & Buildings £ | Furniture & Equipment £ | Heating & Plant £ | Total £ |
|---|---|---|---|---|
| Balance at 1st September 2022 | 4,770,088 | 715,067 | 283,863 | 5,769,018 |
| Additions | - | 13,219 | - | 13,219 |
| Disposals | - | - | - | - |
| Total cost at 31 August 2023 | 4,770,088 | 728,285 | 283,863 | 5,782,236 |
| **Accumulated depreciation** | | | | |
| Balance at 1st September 2022 | 2,982,893 | 594,055 | 180,322 | 3,757,271 |
| Charge for the year | 187,013 | 50,541 | 17,404 | 254,958 |
| Disposals | - | - | - | - |
| Total depreciation at 31 August 2023 | 3,169,907 | 644,596 | 197,726 | 4,012,229 |
| **Net book value** | | | | |
| **At 31st August 2023** | **1,600,181** | **83,689** | **86,137** | **1,770,007** |
| At 31st August 2022 | 1,787,195 | 121,011 | 103,541 | 2,011,746 |

## 3 INVESTMENT INCOME

| | 2023 £ | 2022 £ |
|---|---|---|
| Interest - Investment funds | 49,749 | 56,300 |
| Interest - Property funds | 16,276 | 16,276 |
| Interest - Fixed Interest Securities | 501 | 673 |
| Interest on cash deposits | 1,838 | 46 |
| Interest reinvested | 13,922 | 13,269 |
| | 82,286 | 86,564 |

Of the above, £78,439 was unrestricted (2022: £82,766) and £3,847 was restricted (2022: £3,805).

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## 4 GRANTS AND DONATIONS

| | 2023 £ | 2022 £ |
|---|---|---|
| The Donald & Patricia Marsh Charitable Trust | - | 100,000 |
| Archbishops' Council | 44,953 | 24,000 |
| Methodist Diaconal Order | 10,000 | 10,000 |
| Queen's Methodist Chaplaincy Donation | - | 8,000 |
| St John's College | 150,000 | - |
| Westminster College Trust | 50,000 | - |
| Anonymous | - | 7,408 |
| St Boniface Trust (Mission) | - | 2,786 |
| Seedcorn Grant | - | 1,750 |
| United Friends of Queens | - | - |
| Other donations £1,000 or less | 1,016 | 1,450 |
| | 255,969 | 155,394 |

Of the above, £45,969 was unrestricted (2022: £28,129) and £210,000 was restricted (2022: £127,265).

## 5 FIXED ASSET INVESTMENTS

| | 2023 £ | 2022 £ |
|---|---|---|
| Market value brought forward | 2,912,914 | 2,978,731 |
| Dividends received and reinvested | 13,922 | 13,269 |
| Purchase of Investments | - | - |
| Sale of Investments | (250,000) | - |
| Profit on sale/redemption of investments | (4,137) | - |
| Net unrealised profit on revaluation | (114,613) | (79,086) |
| Closing market value | 2,558,087 | 2,912,914 |
| Historical cost at 31st August: | 945,777 | 1,003,229 |

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

| | 2023 £ | 2022 £ |
|---|---|---|
| Investments at market value comprise: | | |
| Investment fund income shares | 2,223,128 | 2,503,001 |
| Property funds | 312,436 | 387,564 |
| Fixed interest securities fund income shares | 22,522 | 22,349 |
| | 2,558,087 | 2,912,914 |

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## 6 DEBTORS

| | 2023 £ | 2022 £ |
|---|---|---|
| Debtors | 49,980 | 127,052 |
| Other Debtors | 57,840 | 75,467 |
| | 107,820 | 202,519 |

## 7 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

| | 2023 £ | 2022 £ |
|---|---|---|
| Trade Creditors | 68,956 | 85,900 |
| Other Creditors | 16,617 | 11,271 |
| Tax & Social Security | 29,767 | 20,386 |
| Accruals & deferred income | 22,844 | 29,450 |
| | 138,184 | 147,007 |

Included within other creditors is £13,185 (2022: £9,614) held on behalf of third parties. These funds are included within investments and bank.

## 8 RESTRICTED FUNDS

| | Balance 01/09/22 £ | Movement in Funds: Incoming Resources £ | (Expenditure) & Gains £ | Transfers In / (Out) | Balance 31/08/23 £ |
|---|---|---|---|---|---|
| Consolidated Fund | 140,015 | 3,847 | (2,400) | - | 141,463 |
| Methodist Building Grants: | | | | | |
| Library Extension | 196,215 | - | (22,118) | - | 174,097 |
| New Building Refurbishment | 74,800 | - | (6,800) | - | 68,000 |
| Heating overhaul | 148,843 | - | (24,807) | - | 124,036 |
| Mission Centre Fund | 57,530 | - | - | - | 57,530 |
| Principals Discretionary Fund | 4,290 | - | (472) | - | 3,818 |
| OFS | - | 25,074 | (25,074) | - | - |
| MEET | 15,113 | 27,968 | (24,641) | - | 18,440 |
| P'ship in Theological Education | 209,305 | 158,195 | (98,179) | - | 269,321 |
| Seedcorn | 950 | - | (950) | - | - |
| The Donald & Patricia Marsh Charitable Trust | 100,000 | - | (2,068) | - | 97,932 |
| Westminster College Trust | - | 50,000 | - | - | 50,000 |
| St John's College Nottingham | - | 150,000 | - | - | 150,000 |
| Methodist Diaconal Order | - | 10,000 | (10,000) | - | - |
| Other | - | - | - | - | - |
| | 947,061 | 425,084 | (217,508) | - | 1,154,637 |

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

The Methodist Library Fund provided for the extension of the existing library to house the book collection of the Selly 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 Selly 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.

| COMPARATIVE FOR RESTRICTED FUNDS | Movement in Funds | | | | |
|---|---|---|---|---|---|
| | Balance 01/09/21 £ | Incoming Resources £ | (Expenditure) & Gains £ | Transfers In / (Out) £ | Balance 31/08/22 £ |
| Consolidated Fund | 142,838 | 3,805 | (6,628) | - | 140,015 |
| Methodist Building Grants: | | | | | |
| Library Extension | 218,333 | - | (22,118) | - | 196,215 |
| New Building Refurbishment | 81,600 | - | (6,800) | - | 74,800 |
| Heating overhaul | 173,650 | - | (24,807) | - | 148,843 |
| Mission Centre Fund | 57,530 | - | - | - | 57,530 |
| Principals Discretionary Fund | 4,300 | - | (10) | - | 4,290 |
| OFS | - | 30,288 | (30,288) | - | - |
| MEET | 27,118 | - | (12,005) | - | 15,113 |
| P'ship in Theological Education | 114,075 | 179,175 | (83,945) | - | 209,305 |
| HMRC JRS | - | - | - | - | - |
| Methodist Chaplaincy | - | 8,000 | (8,000) | - | - |
| St Augustine's Fdn | 9,260 | - | (9,260) | - | - |
| Seedcorn | - | 1,750 | (800) | - | 950 |
| The Donald & Patricia Marsh Charitable Trust | - | 100,000 | - | - | 100,000 |
| Methodist Diaconal Order | - | 10,000 | (10,000) | - | - |
| Other | - | 7,515 | (7,515) | - | - |
| | 828,705 | 340,533 | (222,176) | - | 947,061 |

## 9 ANALYSIS OF NET ASSETS BETWEEN FUNDS YEAR ENDED 31 AUG 2023

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds £ |
|---|---|---|---|---|
| Tangible Fixed Assets | 1,255,406 | 366,133 | 148,468 | 1,770,007 |
| Investments | 2,416,624 | 141,463 | - | 2,558,087 |
| Current Assets | (73,796) | 647,042 | - | 573,245 |
| Creditors - Within one year | (138,184) | - | - | (138,184) |
| | 3,460,050 | 1,154,637 | 148,468 | 4,763,155 |

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

| | |
|---|---|
| The Central Board of Finance of the Church of England | 80,000 |
| The Trustees for Methodist Church Purposes | 68,468 |
| | 148,468 |

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| | |
|---|---|
| The Restricted Fund includes grants repayable on the dissolution of the College to : | |
| The Trustees for Methodist Church Purposes | 468,532 |

**COMPARATIVE FOR ANALYSIS OF NET ASSETS BETWEEN FUNDS 2021-2022**

| | Unrestricted Funds £ | Restricted Funds £ | Endowment Funds £ | Total Funds £ |
|---|---|---|---|---|
| Tangible Fixed Assets | 1,352,058 | 419,858 | 239,830 | 2,011,746 |
| Investments | 2,772,899 | 140,015 | - | 2,912,914 |
| Current Assets | 55,060 | 387,188 | - | 442,248 |
| Creditors - Within one year | (147,007) | - | - | (147,007) |
| - After one year | - | - | - | |
| | 4,033,010 | 947,061 | 239,830 | 5,219,901 |

**10 UNRESTRICTED FUNDS**

**Designated Funds**

| | Balance 01/09/22 £ | Incoming Resources £ | Resources Expended £ | Gains, (Losses) & Allocations £ | Transfers £ | Balance 31/08/23 £ |
|---|---|---|---|---|---|---|
| AD 2062 Stephen Lloyd Fund | 684,166 | 13,922 | - | - | - | 698,088 |
| Research Fund | 86,498 | - | - | - | - | 86,498 |
| Operating expense reserve | 1,000,000 | - | - | - | - | 1,000,000 |
| | **1,770,664** | **13,922** | - | - | - | **1,784,586** |

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

The Operating Expense Reserve was created following the Governors review of reserves policy in 2020/21 to set aside reserves to cover approx 6 months operating expenses in line with recommended practise.

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.

**Unrestricted Funds**

| | Balance 01/09/22 £ | Incoming Resources £ | Resources Expended £ | Gains, (Losses) & Allocations £ | Transfers £ | Balance 31/08/23 £ |
|---|---|---|---|---|---|---|
| Designated funds | 1,770,664 | 13,922 | - | - | - | 1,784,586 |
| Unrestricted funds | 2,262,346 | 1,665,288 | (2,135,821) | (116,350) | - | 1,675,463 |
| | **4,033,010** | **1,679,211** | **(2,135,821)** | **(116,350)** | - | **3,460,050** |

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**Comparatives for Designated Funds**

| | Balance 01/09/21 £ | Incoming Resources £ | Resources Expended £ | Gains, (Losses) & Allocations £ | Transfers £ | Balance 31/08/22 £ |
|---|---|---|---|---|---|---|
| AD 2062 Stephen Lloyd Fund | 670,897 | 13,269 | - | - | - | 684,166 |
| Research Fund | 86,498 | - | - | - | - | 86,498 |
| Operating expense reserve | 1,000,000 | - | - | - | - | 1,000,000 |
| | **1,757,395** | **13,269** | - | - | - | **1,770,664** |

**Comparatives for Unrestricted Funds**

| | Balance 01/09/21 £ | Incoming Resources £ | Resources Expended £ | Gains, (Losses) & Allocations £ | Transfers £ | Balance 31/08/22 £ |
|---|---|---|---|---|---|---|
| Designated funds | 1,757,395 | 13,269 | - | - | - | 1,770,664 |
| Unrestricted funds | 2,617,489 | 1,873,380 | (2,156,065) | (72,458) | - | 2,262,346 |
| | **4,374,884** | **1,886,649** | **(2,156,065)** | **(72,458)** | - | **4,033,010** |

## 11 A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

| | | Movement in Funds | | | |
|---|---|---|---|---|---|
| | Balance 01/09/21 £ | Incoming Resources £ | (Expenditure) & Gains £ | Transfers In / (Out) £ | Balance 31/08/23 £ |
| Consolidated Fund | 142,838 | 7,652 | (9,028) | - | 141,463 |
| Methodist Building Grants: | | | | | |
| - Library Extension | 218,333 | - | (44,236) | - | 174,097 |
| - New Building Refurbishment | 81,600 | - | (13,600) | - | 68,000 |
| - Heating overhaul | 173,650 | - | (49,614) | - | 124,036 |
| Mission Centre Fund | 57,530 | - | - | - | 57,530 |
| Principals Discretionary Fund | 4,300 | - | (482) | - | 3,818 |
| OFS | - | 55,362 | (55,362) | - | - |
| MEET | 27,118 | 27,968 | (36,646) | - | 18,440 |
| Partnership in Theological Education | 114,075 | 337,370 | (182,124) | - | 269,321 |
| Methodist Chaplaincy Donation | - | 8,000 | (8,000) | - | - |
| St Augustine's Foundation | 9,260 | - | (9,260) | - | - |
| Seedcorn | - | 1,750 | (1,750) | - | - |
| The Donald & Patricia Marsh Charitable Trust | - | 100,000 | (2,068) | - | 97,932 |
| Westminster College Trust | - | 50,000 | - | - | 50,000 |
| St John's College Nottingham | | 150,000 | - | | 150,000 |
| Methodist Diaconal Order | - | 20,000 | (20,000) | - | - |
| Other | - | 7,515 | (7,515) | - | - |
| | **828,705** | **765,617** | **(439,684)** | - | **1,154,637** |

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**UNRESTRICTED FUNDS**

**Designated Funds**

| | Balance 01/09/21 £ | Incoming Resources £ | Resources Expended £ | Gains, (Losses) & Allocations £ | Transfers £ | Balance 31/08/23 £ |
|---|---|---|---|---|---|---|
| AD 2062 Stephen Lloyd Fund | 670,897 | 27,191 | - | - | - | 698,088 |
| Research Fund | 86,498 | - | - | - | - | 86,498 |
| Six months operating expenses | 1,000,000 | - | - | - | - | 1,000,000 |
| | 1,757,395 | 27,191 | - | - | - | 1,784,586 |

**Unrestricted Funds**

| | Balance 01/09/21 £ | Incoming Resources £ | Resources Expended £ | Gains, (Losses) & Allocations £ | Transfers £ | Balance 31/08/23 £ |
|---|---|---|---|---|---|---|
| Designated funds | 1,757,395 | 27,191 | - | - | - | 1,784,586 |
| Unrestricted Funds | 2,617,489 | 3,538,669 | (4,291,886) | (188,808) | - | 1,675,463 |
| | **4,374,884** | **3,565,861** | **(4,291,886)** | **(188,808)** | - | **3,460,050** |

## 12 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | 2023 £ | 2022 £ |
|---|---|---|
| **Student Fees** | | |
| Centre for Ministerial Formation | 792,315 | 841,517 |
| Centre for Black Theology | 62,020 | 76,803 |
| Centre for Discipleship Theology | 71,098 | 98,670 |
| Centre for Continuing Ministerial Education | 34,288 | 69,220 |
| Partnership in Theological Education | 158,195 | 179,175 |
| Research | 59,872 | 82,432 |
| | 1,177,788 | 1,347,817 |
| **Accommodation Charges** | | |
| Accommodation | 427,144 | 485,459 |
| External Rents in | 39,256 | 19,139 |
| Conferences, guests etc. | 65,084 | 98,841 |
| | 531,484 | 603,439 |
| **Total Fees & Accommodation Charges** | 1,709,272 | 1,951,256 |

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## 13 OTHER INCOME

| | 2023 £ | 2022 £ |
|---|---|---|
| OFS Income | 25,074 | 30,288 |
| MEET Income | 27,968 | - |
| Sundry Income | 3,726 | 3,680 |
| | 56,768 | 33,968 |

## 14 ANALYSIS OF CHARITABLE EXPENDITURE

| | 2023 £ | 2022 £ |
|---|---|---|
| Academic & Library Costs | 1,122,749 | 1,103,768 |
| Disabled Student Expenditure (Reimbursed) | 13,455 | 4,145 |
| Administrative Costs (excluding Governance) | 492,950 | 454,898 |
| Catering Costs | 198,001 | 197,357 |
| Domestic Costs | 62,149 | 67,875 |
| Premises Costs | 522,536 | 611,605 |
| Governance Costs | 30,451 | 24,139 |
| | 2,442,291 | 2,463,786 |

## 15 GOVERNANCE COSTS

| | 2023 £ | 2022 £ |
|---|---|---|
| Salaries - operational staff | 23,211 | 17,539 |
| Audit fee | 7,240 | 6,600 |
| | 30,451 | 24,139 |

## 16 STAFF EMOLUMENTS

| | 2023 £ | 2022 £ |
|---|---|---|
| Salary Costs | 1,070,929 | 990,831 |
| National Insurance | 91,595 | 74,917 |
| Pension Costs | 110,160 | 119,966 |
| | 1,272,684 | 1,185,714 |

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

| | 2023 FTE | 2023 Number | 2022 FTE | 2022 Number |
|---|---|---|---|---|
| Academic and Library | 20.2 | 21.1 | 20.2 | 24.1 |
| Administrative and Others | 9.7 | 12.2 | 9.1 | 13.0 |
| | **29.9** | **33.3** | **29.3** | **37.1** |

The total amount of employee benefits received by key management personnel is £198,351 (2022: £199,535).

| | 2023 | 2022 |
|---|---|---|
| Number of staff receiving basic salary per annum between £100,000 - £104,999 | - | - |

**PRINCIPAL'S SALARY**

All figures below are for the Principal, Clive Marsh.

The head of the Foundation is the highest paid member of staff and receives the following amount, as set by the "Lichfield Scale" national Academic Staff and Benefit Scale:

| | 2023 £ | 2022 £ |
|---|---|---|
| **Basic Salary** | 33,198 | 32,304 |
| Payments in lieu of pension contributions | - | - |
| Dividends | - | - |
| Performance Related Pay | - | - |
| **Pension Contributions** | 4,648 | 4,505 |
| Salary Sacrifice Arrangements | - | - |
| Compensation for loss of Office | - | - |
| Any other pension scheme costs | - | - |
| **Other taxable benefits:** | | |
| Book Allowance | 301 | 776 |
| Travel Allowance | - | 2,043 |
| Governors' Discretionary Payment | 13,279 | 7,500 |
| Responsibility Point Payment (based on the number of staff in addition to the Principal) | - | 3,167 |
| **Other non-taxable benefits:** | | |
| On-site Accommodation | 12,800 | 9,427 |
| **Other remuneration:** | | |
| Eg sabbatical payments | - | - |

The total remuneration package for the Principal is in line with that offered to all principals of Anglican Training institutions and in line with national pay scales for Anglican clergy.

The head of the providers basic salary is 1.2 times (2022: 1.1x) the median pay of all staff, where the median pay is calculated on a full- time equivalence basis for the salaries paid by the provider to its staff.

The head of the providers total remuneration is 1.9 times (2022: 1.6x) the median total remuneration of staff where the median pay is calculated on a full-time equivalence basis for the salaries paid by the provider to its staff.

The total amount paid across the provider for 2022-23 for loss of office is £0 (2022: £8,000). The number of people for whom this is applied is: 0 (2022: 1).

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## 17 AUDITORS REMUNERATION

| | 2023 £ | 2022 £ |
|---|---|---|
| The auditors remuneration is comprised of: - | | |
| Audit Fees | 7,240 | 6,600 |
| Other Services | - | - |
| | 7,240 | 6,600 |

## 18 TRUSTEES REMUNERATION

Trustees received £1,896 for the reimbursement of travelling expenses during the year (2022: £298)

No trustee received any remuneration during the year (2022: £nil).

## 19 FINANCIAL COMMITMENTS

**Operating lease commitments**

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

| | 2023 £ | 2022 £ |
|---|---|---|
| Not later than one year | 12,602 | 12,602 |
| Later than one and not later than five years | 25,188 | 29,366 |
| Later than five years | - | - |

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

| | 2023 £ | 2022 £ |
|---|---|---|
| Net income/(expenditure) for the year | (456,746) | (315,690) |
| Interest receivable | (82,286) | (86,564) |
| Depreciation and impairment of tangible fixed assets | 254,958 | 260,653 |
| Losses/(Gains) on investments | 118,750 | 79,086 |
| (Increase)/decrease in debtors | 94,698 | 196,603 |
| Increase/(decrease) in creditors | (8,823) | 15,904 |
| **Net cash flow from operating activities** | (79,449) | 149,992 |

## 21 PENSION COSTS

The Foundation contributes to non-contributory defined benefit schemes operated by the Church of England for ordained clergy (CEFPS) and non-ordained employees (CWPF). For staff not covered in the above arrangements a stakeholder (defined contribution) pension scheme is operated with Aviva, the cost of which is written off to the Statement of Financial Activities on an accruals basis. The assets of the scheme are held separately from those of the Foundation in an independently administered fund.

During the year the Foundation's contributions were:

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| CEFPS | 30,155 | 43,819 |
| CWPF | 10,237 | 12,958 |
| Aviva | 69,768 | 63,188 |
| | **110,160** | **119,965** |

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

CEFPS

The Foundation participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is 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 each specific Responsible Body, and this means 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 (2022/23: £30,155, 2021/22: £43,819).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

| % of pensionable stipends | January 2018 to December 2020 | January 2021 to December 2022 |
|---|---|---|
| Deficit repair contributions | 11.9% | 7.1% |

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil.

The legal structure of the scheme is such that if another Responsible Body fails, Queen's College Birmingham could become responsible for paying a share of that failed Responsible Body's pension liabilities.

CWPF

The Queen's Foundation participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections:

1. the Defined Benefits Scheme
2. the Pension Builder Scheme, which has two subsections;
   a. a deferred annuity section known as Pension Builder Classic, and,
   b. a cash balance section known as Pension Builder 2014.

**Pension Builder Scheme:**
Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

**Pension Builder Classic** provides a pension, 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 added, depending on 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 considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 the contributions payable (2023: £10,237, 2022: £12,958).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation 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 10.1% following improvements in the funding position over 2022. 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, The Queen's Foundation could become responsible for paying a share of the failed employer's pension liabilities.

The Queen's Foundation

## 22 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. Each member liability is limited to a maximum of £1.

As at 31st August 2023 there were 12 members of the charitable company (2022: 9)

## 23 RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended 31 August 2023.

## 24 POST BALANCE SHEET EVENTS

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the Charity being able to continue to operate if further Covid style events take place. The trustees have considered the position of the Charity both at present and for the next 12 months given the current information available.

The Charity has a strong balance sheet and forecasts have been prepared and reviewed for the next 12 months which consider the trading and cashflow impacts of possible implications from the current situation.

We are in regular communication with our stakeholders to understand their position and this information has been used in preparing and reviewing the forecasts. We have implemented plans to reduce costs where necessary and maximise appropriate income opportunities.

## 25 OfS DETAILS OF GRANT AND FEE INCOME

| | Year ended 31 Aug 2023 | Year ended 31 Aug 2022 |
|---|---|---|
| | £,000 | £,000 |
| Grant income from the OfS | 25 | 30 |
| Grant income from other bodies | - | 2 |
| Fee income for taught awards | 774 | 1,022 |
| Fee income for research awards | 60 | 82 |
| Fee income for non-qualifying courses | 344 | 244 |
| **Total grant and fee income** | **1,203** | **1,380** |