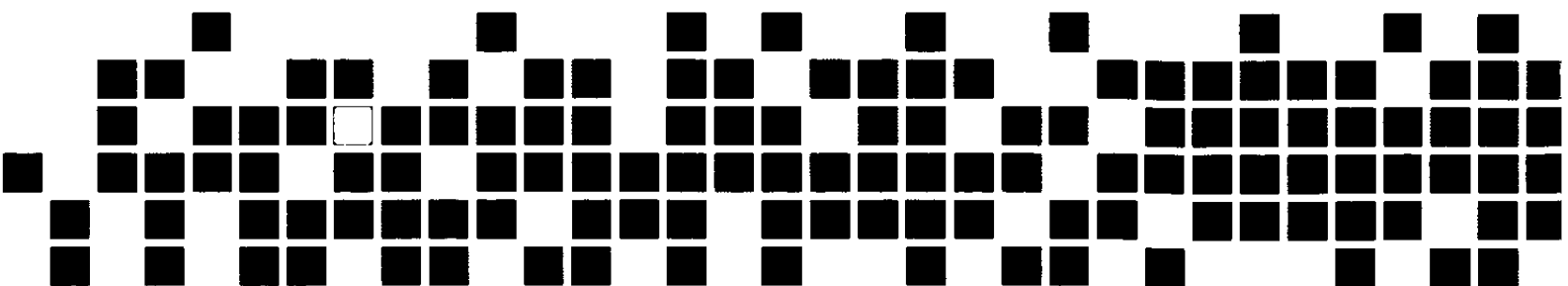


**THE CAMBRIDGE THEOLOGICAL FEDERATION
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2011**



Charity Number 1099953

STREETS
CHARTERED ACCOUNTANTS



THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

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THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS

REGISTERED CHARITY NAME The Cambridge Theological Federation

CHARITY NUMBER 1099953

COMPANY REGISTRATION NUMBER 04700056

**PRINCIPAL AND REGISTERED
OFFICE** Federation Executive Office
Wesley House
Jesus Lane
Cambridge
CB5 8BQ

TRUSTEES Rev Dr Geoffrey Cook
Rev Duncan Dormor
Rev Dr Susan Durber
Prof David Frost
Prof Sir Brian Heap
Sally Livesey
Rev Dr Philip Luscombe
The Venerable Hugh McCurdy
Dr Carol Reekie
Mr David Saunderson
Rev Martin Seeley
Rt Rev Clive Young
Gladys Bland
Rev Charles Read
Prof Sir Anthony Bottoms
Rev Dr Ian McIntosh
Dr Susan O'Brien
Rev Canon Andrew Norman
Rev Prof David Thompson
Dame Mary Tanner
Prof Judith Lieu
Mr Rob Reid

SECRETARY Mrs Rowena May Small

AUDITOR Streets Audit LLP
Chartered Accountants
& Statutory Auditor
Charter House
62-64 Hills Road
Cambridge
CB2 1LA

BANKERS The Co-Operative Bank
75 Burleigh Street
Cambridge
CB1 1DF

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 AUGUST 2011

The trustees, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 August 2011

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 1 of the financial statements

THE TRUSTEES

The trustees who served the company during the period were as follows

Rev Dr Geoffrey Cook	
Rev Duncan Dormor	
Rev Dr Susan Durber	
Prof David Frost	
Prof Sir Brian Heap	
Sally Livesey	
Rev Dr Philip Luscombe	
The Venerable Hugh McCurdy	
Dr Carol Reekie	
Mr David Saunderson	
Rev Martin Seeley	
Rt Rev Clive Young	
Gladys Bland	
Rev Charles Read	
Prof Sir Anthony Bottoms	
Rev Dr Ian McIntosh	
Dr Susan O'Brien	
Rev Canon Andrew Norman	
Rev Prof David Thompson	
Dame Mary Tanner	
Prof Judith Lieu	(Appointed 1 September 2010)
Mr Rob Reid	(Appointed 1 September 2010)
Prof Morna Hooker-Stacey	(Resigned 30 September 2010)
Miss Ruth Horton	(Resigned 30 September 2010)

STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity is constituted as a company limited by guarantee and is governed by its memorandum and articles of association. The registered charity number is 1099953

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

The Full Members of the Cambridge Theological Federation are

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

The Associate Members are

Henry Martyn Centre for the Study of Mission and World Christianity
Norwich Diocesan Ministry Course
St Edmundsbury and Ipswich Diocesan Ministry Course
Woolf Institute

The charitable company is run by a group of directors, the Governing Council, who meet regularly for the purpose of maintaining its performance and making strategic decisions. They delegate management to the Federation Management Committee, comprising the Principals of the Member Bodies and the Secretaries of the three main academic awards (FdA/BA, BTh and MA), chaired by one of the Principals elected on a rotational basis.

The trustees determine the general policy of the charity. The day to day management is delegated to the Registrar, Rowena Small, who makes decisions with the guidance of the trustees as appropriate.

OBJECTIVES AND ACTIVITIES

The Federation's objectives are to advance the Christian faith, to advance religious, ecumenical education in accordance with the doctrine and principles of the Christian faith, and to prepare men and women for ordained or lay ministry and service within the Christian churches.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

The Cambridge Theological Federation brings together the teaching and learning of nine institutes and courses through which people of different churches, including Anglican, Methodist, Orthodox, Reformed and Roman Catholic, train for various forms of Christian ministry and service. Its new Vision Statement, adopted in March 2010, states

The Cambridge Theological Federation exists to serve the mission of God in the world, as that mission is expressed and worked out in the life of the Church. Our vision is centred in the transforming love of Christ, who is the Wisdom of God, and this vision is given life by the transforming power of the Holy Spirit of God. The form and content of our endeavours, therefore, are rooted in the life of God, whose self-giving activity is the joy of the Church and the hope of the world.

Our vision for today grows out of the Great Commission, out of the Vision statement held by the Federation since the early 1990s (see Appendix 5), and out of the fundamental purposes of the Federation as stated in our Memorandum and Articles of Association

- the advancement of the Christian faith,
- the advancement of religious, ecumenical education in accordance with the doctrine and principles of the Christian faith,
- the preparation of men and women for ordained or lay ministry and service within the Christian churches

This vision is given shape by the nature and needs of the contemporary world for Christian leadership which is theologically and pastorally wise, mission oriented, and committed to collaborative ways of discerning the truth with love. Given our particular location in Cambridge, it is natural that the Federation should seek to develop a role in thought leadership in terms of the wider church, and to share the evolution of these ideas internally and externally. The Federation intends its member institutions to grow together in effectiveness in serving God's Kingdom across four key domains

- Innovation and creativity for mission in today's world,
- Excellence and accessibility in education and formation for Christian ministries and discipleship,
- Distinctive contribution to the Church's ecumenical endeavour,
- Engagement with the world-wide Church and higher education in learning and scholarship

In the exercise of their powers to that end the Directors have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act 2006. We believe that the Federation meets the requirement in the following ways

- by the provision of regular communal acts of worship to encourage and facilitate the practice of the Christian religion by those training for ministry and their families,
- by supporting the theological colleges which are members of the Federation in raising awareness of religious beliefs and practices,
- by providing education in accordance with the principles and practices of the Christian religion,
- by providing opportunities through Social Context Placements for members of the Federation to engage in prison, hospital and school chaplaincy work,
- by providing training for members of the Federation in pastoral and liturgical work, both within and beyond faith communities,
- by providing opportunities for continuing ministerial education for ministers across the eastern region, through both formal educational programmes and training offered for placement supervisors, academic tutors and others

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

ACHIEVEMENTS AND PERFORMANCE

In accordance with its objects, the Federation has continued its principal activity of providing theological education and training for students of its Member Bodies and others from the East Anglia region. 655 students were registered with the Federation. The majority were studying for one or other of the awards listed below, but the total also includes exchange students visiting for one or more terms and others attending in-house courses run by the Federation's member institutions. Of those students engaged in full or part-time courses during the year the following completed the award for which they were registered.

Through the University of Cambridge	
Certificate in Theology for Ministry (CTM)	10
Bachelor of Theology for Ministry	28
BA in Theology and Religious Studies (Tripos)	9
MPhil	3
MSt in The Study of Jewish-Christian Relations	10
PhD	0
Through Anglia Ruskin University	
BA (Hons) Christian Theology	18
FdA in Christian Theology	6
DipHE	now FdA
CertHE	3
MA in Pastoral Theology	32
Postgraduate Diploma in Pastoral Theology	15
Postgraduate Certificate in Pastoral Theology	4
MA in Jewish-Christian Relations	1
Postgraduate Diploma in Jewish - Christian Relations	1

A total of 26 students were registered for the Professional Doctorate in Practical Theology. This part-time practice-based research-based degree is expected to take up to six years, so the first completions are anticipated in 2011-12.

This was the first full year of operation of the new core curriculum for the FdA in Christian Theology and its corresponding BA, both validated by Anglia Ruskin University, and its implementation was monitored carefully. In general, the new compulsory modules worked well for the majority of students, but the lack of flexibility created problems for certain groups, including those who are seeking to "top-up" theological training acquired elsewhere in order to fulfil the requirements for ordination. The BA Director will continue to monitor the use and effectiveness of this award, in consultation with the Directors of Studies and the Federation's Curriculum Development Committee.

The newly-agreed business plan for the Professional Doctorate in Practical Theology allowed the Federation to make the part-time post of Assistant Director of the MA permanent and thereby facilitated the admission of 11 students, bringing the total number on the award to 26. During the course of the year the MA Director entered into negotiations with the Divinity School of Chung Chi College, Chinese University of Hong Kong which resulted in the admission of a cohort of PrD students from the School in September 2011.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

FINANCIAL REVIEW

The use of the Interim Funding Model as the basis for the Federation's budget in 2010-11 has resulted in a significant increase in income. This is because the Model derives the majority of the funds required to cover budgeted expenditure from the member Institutions of the Federation. The funding derived from external sources (primarily the two partner Universities) was applied to the costs incurred in those same member Institutions to deliver the Federation's undergraduate awards. Implementation of the Funding Model was not without problems, as both the central committees and the member Institutions adjusted to this new way of looking at the Federation's financing, but it introduced a new level of transparency to the financial affairs which can only be welcomed. In particular, it made it possible to identify both income and expenditure relating to any given award, thus enabling the Federation to assess the financial viability of most areas of its work.

In addition to the changes mentioned above, the Resources Committee also changed the way in which its financial reports were presented. Previously, many sources of income had been presented "net", this was deemed to be less than satisfactory as it did not give a true picture of the financial commitments of the Federation. Where possible, all income is now shown as gross figures with the corresponding deductions and/or top-slicing included in expenditure. Although it is recognized that this makes comparisons with previous years more difficult, the Federation believes it is a more useful way of depicting its position.

The Federation is grateful to the Laing Foundation for a further, and final, instalment of the Strategic Review grant. This will be used in 2011/12 to fund the extension of the current President's term of office by secondment from ERMIC.

Continued attention to the collection of debts has resulted in a significant fall in the number of debtors at year end. It is anticipated that all debts will be collected by 31 December 2011. The increase in the amounts falling due within one year is due in part to the inclusion of MA fees paid in advance (£11,700). This was not recognized in previous years. Another significant element is the first instalment of funding from Anglia Ruskin University for the 2011-12 financial year, which is paid in August.

The Federation adopted its first formal Reserves Policy on 27 June 2011. The policy states:

The Federation's income is derived primarily from stable sources being member institutions and university partners. It is anticipated that reasonable notice of withdrawal or reductions of funding will be received, giving the Trustees the opportunity to consider and respond to such change. It is not considered necessary or appropriate to hold reserves against such changes. In the event of a significant reduction in funding relating to a given award, the Federation would seek to transfer the students enrolled on that award to another HEI in order that their studies may continue. The Trustees have agreed to maintain an operating reserve for the following purposes:

- to enable financing of unforeseen short term funding issues
- to cover cash-flow disruptions
- to meet the Federation's statutory liabilities
- to allow sufficient time to alternative arrangements to be made for students on award which are at risk of discontinuation

The Trustees believe a reserve equal to three months' expenditure will be sufficient for this purpose. The Trustees may establish additional reserves to meet future needs/projects from time to time. The reserves will be monitored annually by reference to the annual reports and accounts and adjusted as necessary through the budget for the ensuing year. This Reserve Policy was adopted by the Trustees in 2011 and will be reviewed at least every five years.

The Federation also prepared its first Risk Register, which will be updated annually.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

PLANS FOR FUTURE PERIODS

The Federation will be the subject of an inspection by the Churches' Quality in Formation Panel in November 2011. This wide-ranging inspection will consider all aspects of the life and work of the Federation and will assess its fitness to deliver ministerial training. A considerable portion of the latter half of the 2010-11 academic year was spent in the production of the briefing documents for the various inspection teams and it is anticipated that this will continue to demand considerable resources of time and energy through the first half of the 2011-12 academic year. Once the Report is published, which is expected to be in March 2012, the Management Committee and Governing Council will be involved in preparing and implementing an Action Plan based upon its recommendations.

In the context of the continuing implementation of the recommendations of the Strategic Review, the Governing Council began discussion of its own composition. A Federation-wide consultation highlighted a number of matters on which greater clarity was required, so a working party, chaired by Dame Mary Tanner, has been established to consider in more detail the role and purpose of the Governing Council. It is expected that the working party will report back to the Governing Council towards the end of the 2011-12 academic year.

It was anticipated that the new Giving and Receiving Model would replace the Interim Funding Model as the basis on which the Federation's budget was constructed for the 2011-12 financial year. In the event the Model was not suitable for this purpose, but it is expected that it will be used to inform some of the Federation's planning in future years, particularly in relation to changes in its award structures and the introduction of new awards.

As the impact of Lord Browne of Madingley's Report "Securing a Sustainable Future for Higher Education" is assimilated by its partner universities, the Federation expects to continue to work closely with them and with its sponsoring churches to find the optimal outcome for theological education in Cambridge. This will be further impacted by changes to the way in which the Church of England both funds and organises theological education.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of the Cambridge Theological Federation for the purposes of company law) are responsible for preparing the Trustees Annual 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

select suitable accounting policies and then apply them consistently,

observe the methods and principles in the Charities SORP,

make judgements 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,

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 AUGUST 2011

RESPONSIBILITIES OF THE TRUSTEES *(continued)*

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware

there is no relevant audit information of which the charitable company's auditor is unaware, and

the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.


AUDITOR

Streets Audit LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the trustees



Mrs Rowena May Small
Company Secretary

13-12-11

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE THEOLOGICAL FEDERATION *(continued)*

YEAR ENDED 31 AUGUST 2011

We have audited the financial statements of The Cambridge Theological Federation for the year ended 31 August 2011 on pages 11 to 20, which have been prepared on the basis of the accounting policies set out on pages 14 to 15. 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).

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Statement of Responsibilities of the Trustees on pages 7 to 8, the trustees (who also act as directors of The Cambridge Theological Federation for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view.

The trustees have elected for the financial statements to be audited in accordance with the Charities Act 1993 rather than the Companies Act 2006. Accordingly we have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 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.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE CAMBRIDGE THEOLOGICAL FEDERATION *(continued)*

YEAR ENDED 31 AUGUST 2011

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements, or
- the charitable company have not kept adequate accounting records, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit



STREETS AUDIT LLP
Chartered Accountants & Statutory Auditor

Charter House
62-64 Hills Road
Cambridge
CB2 1LA

3 February 2012

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

YEAR ENDED 31 AUGUST 2011

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
INCOMING RESOURCES					
Incoming resources from generating funds					
Voluntary income	2	2,777	—	2,777	900
Investment income	3	637	22	659	378
Incoming resources from charitable activities	4	829,794	63,426	893,220	534,513
TOTAL INCOMING RESOURCES		833,208	63,448	896,656	535,791
RESOURCES EXPENDED					
Charitable activities	5/6	(833,446)	(7,982)	(841,428)	(661,594)
Governance costs	7	(5,696)	—	(5,696)	(5,587)
TOTAL RESOURCES EXPENDED		(839,142)	(7,982)	(847,124)	(667,181)
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS					
	8	(5,934)	55,466	49,532	(131,390)
Transfer between funds	9	(688)	688	—	—
NET INCOME/(EXPENDITURE) FOR THE YEAR		(6,622)	56,154	49,532	(131,390)
RECONCILIATION OF FUNDS					
Total funds brought forward		69,166	41	69,207	200,597
TOTAL FUNDS CARRIED FORWARD		62,544	56,195	118,739	69,207

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared

All of the above amounts relate to continuing activities

The notes on pages 14 to 20 form part of these financial statements.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 AUGUST 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	11		3,528		5,672
CURRENT ASSETS					
Stocks	12	1,156		1,513	
Debtors	13	22,245		31,796	
Cash at bank and in hand		157,243		78,031	
		<u>180,644</u>		<u>111,340</u>	
CREDITORS: Amounts falling due within one year	14	<u>(65,433)</u>		<u>(47,805)</u>	
NET CURRENT ASSETS			115,211		63,535
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>118,739</u>		<u>69,207</u>
NET ASSETS			<u>118,739</u>		<u>69,207</u>
FUNDS					
Restricted income funds	16		56,195		41
Unrestricted income funds	17		62,544		69,166
TOTAL FUNDS			<u>118,739</u>		<u>69,207</u>

The trustees are satisfied that the company is entitled to exemption from the provisions of the Companies Act 2006 (the Act) relating to the audit of the financial statements for the year by virtue of section 477, and that no member or members have requested an audit pursuant to section 476 of the Act. However it is required to have a statutory audit under the Charities Act 1993.

The trustees acknowledge their responsibilities for

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 393, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Balance sheet continues on the following page
The notes on pages 14 to 20 form part of these financial statements.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
COMPANY LIMITED BY GUARANTEE**

BALANCE SHEET *(continued)*

31 AUGUST 2011

These financial statements were approved by the members of the committee on the 13/12/11 and are signed on their behalf by



Rev Prof David Thompson

Company Registration Number 04700056

The notes on pages 14 to 20 form part of these financial statements.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005) and the Companies Act 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The Federation, along with its members, currently faces many uncertainties and its future course depends upon decisions yet to be made by its members, university partners, the parent churches, and not least the government. One of several possible outcomes could be that the Federation ceases to exist as an independent charity. The Trustees do not think this is the most likely outcome and accordingly these accounts have been prepared on the going concern basis and do not reflect the accounting entries that would need to be made if that scenario were to come about.

Fund accounting

General funds are unrestricted funds which 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.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular 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 aim and use of restricted funds are set out in the notes to the accounts.

Incoming resources

Incoming resources are accounted for on a receivable basis.

Resources expended

Expenditure is recognised on an accrual basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in furtherance of the charity's objectives and represents the cost of goods and services and ancillary trading costs that have been incurred in charitable activities. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirement of the charity and include accountancy fees and costs linked to the strategic management of the charity.

Fixed assets

All fixed assets are initially recorded at cost. Assets costing over £500 and having an expected life greater than one year are capitalised.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

1 ACCOUNTING POLICIES *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Office equipment	- 25% reducing balance
------------------	------------------------

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of financial activities.

Value added tax

As the Federation's activities are classified as exempt or non-business activities for the purposes of value added tax, the Federation is unable to reclaim the value added tax which it incurs on its purchases. Expenditure in these financial statements is therefore shown inclusive of value added tax.

2. VOLUNTARY INCOME

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Donations			
Donations & other income	<u>2,777</u>	<u>2,777</u>	<u>900</u>

3. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Bank interest receivable	<u>637</u>	<u>22</u>	<u>659</u>	<u>378</u>

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

4. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Strategic Review Grant	–	10,000	10,000	10,000
Library fees and fines	833	–	833	209
Per capita levy	216,205	–	216,205	95,881
BTh fees	35,895	–	35,895	35,800
CTM fees	12,087	–	12,087	9,300
MA fees	76,098	–	76,098	47,795
BA funding from Anglia Ruskin	208,440	–	208,440	228,189
BTh funding from University of Cambridge	113,550	–	113,550	88,209
Professional Doctorate Fees	41,347	–	41,347	5,367
MA Special Grant	–	–	–	12,763
Conference fund	–	–	–	1,000
Tripes fees	19,151	–	19,151	–
Study Skills Tuition	840	–	840	–
Membership fees	5,720	–	5,720	–
ERTP Income	–	53,426	53,426	–
BA fees	99,628	–	99,628	–
	<u>829,794</u>	<u>63,426</u>	<u>893,220</u>	<u>534,513</u>

5 COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Theological education and training	524,367	–	524,367	400,115
Support costs	309,079	7,982	317,061	261,479
	<u>833,446</u>	<u>7,982</u>	<u>841,428</u>	<u>661,594</u>

6. COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly £	Support costs £	Total Funds 2011 £	Total Funds 2010 £
Theological education and training	524,367	317,061	841,428	661,594

7 GOVERNANCE COSTS

	Unrestricted Funds £	Total Funds 2011 £	Total Funds 2010 £
Audit fees	5,696	5,696	5,587

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

8. NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging

	2011	2010
	£	£
Staff pension contributions	21,195	21,063
Depreciation	2,144	2,170
Auditors' fees	<u>5,696</u>	<u>5,587</u>

9. FUND TRANSFERS

The transfer to the restricted fund was made to cover the small overspend on the MA special grant in the year

10. STAFF COSTS AND EMOLUMENTS

Total staff costs were as follows:

	2011	2010
	£	£
Wages and salaries	294,727	253,350
Social security costs	26,435	25,520
Other pension costs	21,195	21,063
	<u>315,922</u>	<u>299,933</u>

Particulars of employees:

The average number of employees during the year, calculated on the basis of full-time equivalents, was as follows

	2011	2010
	No	No
Number of staff	<u>10</u>	<u>10</u>

No employee received remuneration of more than £60,000 during the year (2010 - Nil)

11. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
At 1 September 2010 and 31 August 2011	<u>22,367</u>
DEPRECIATION	
At 1 September 2010	16,695
Charge for the year	<u>2,144</u>
At 31 August 2011	<u>18,839</u>
NET BOOK VALUE	
At 31 August 2011	<u>3,528</u>
At 31 August 2010	<u>5,672</u>

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

12. STOCKS

	2011	2010
	£	£
Stock	<u>1,156</u>	<u>1,513</u>

13. DEBTORS

	2011	2010
	£	£
Trade debtors	11,186	16,931
Other debtors	398	5,297
Prepayments	<u>10,661</u>	<u>9,568</u>
	<u>22,245</u>	<u>31,796</u>

14. CREDITORS: Amounts falling due within one year

	2011	2010
	£	£
Trade creditors	13,269	1,511
PAYE and social security	7,310	4,088
Other creditors	<u>44,854</u>	<u>42,206</u>
	<u>65,433</u>	<u>47,805</u>

15. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Assets other than Land and buildings	
	2011	2010
	£	£
Operating leases which expire:		
Within 1 year	2,566	-
Within 2 to 5 years	-	2,513
	<u>2,566</u>	<u>2,513</u>

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

16. RESTRICTED INCOME FUNDS

	Balance at 1 Sep 2010	Incoming resources	Outgoing resources	Transfers	Balance at 31 Aug 2011
	£	£	£	£	£
Strategic review	(688)	10,000	–	688	10,000
Conference Fund	729	–	(729)	–	–
Eastern Region Training Partnership	–	53,448	(7,253)	–	46,195
	<u>41</u>	<u>63,448</u>	<u>(7,982)</u>	<u>688</u>	<u>56,195</u>

Strategic Review Grant This grant from the Maurice and Hilda Laing Charitable Trust was given to fund an internal review of the Federation's activities

Conference Fund This represents a donation to fund the MA Director's attendance at conferences and related activities

ERTP As part of its commitment to the Eastern Region Training Partnership, the Federation holds the Partnership's funds within its bank account. Income is derived in part from annual subscriptions by signatories to the Covenant which established the ERTTP in 2008 and in part from a substantial grant to fund a Project Officer investigating lay training provision within the Eastern Region. This is a three-year project for which the bulk of the money was received in advance.

17. UNRESTRICTED INCOME FUNDS

	Balance at 1 Sep 2010	Incoming resources	Outgoing resources	Transfers	Balance at 31 Aug 2011
	£	£	£	£	£
Major projects	2,918	–	–	–	2,918
E-Learning project	15,327	–	(11,215)	–	4,112
General Funds	50,921	833,208	(827,927)	(688)	55,514
	<u>69,166</u>	<u>833,208</u>	<u>(839,142)</u>	<u>(688)</u>	<u>62,544</u>

Major projects

This fund was established by the Federation Management Committee in April 2008 to cover projects benefiting students across two or more Federation Houses

E-Learning project

This fund was established in April 2008 to develop e-learning within the Federation and, in particular, to prepare a new module in Study Skills for the BA in Christian Theology. During 2010-11 it was used to meet the costs of a consultant appointed to work with Federation academic staff and others to adapt existing modules in the Anglia Ruskin University awards for delivery by distance learning.

THE CAMBRIDGE THEOLOGICAL FEDERATION COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2011

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Net current assets £	Total £
Restricted Income Funds:			
Strategic review	–	10,000	10,000
Eastern Region Training Partnership	–	46,195	46,195
	–	56,195	56,195
Unrestricted Income Funds	3,528	59,016	62,544
Total Funds	3,528	115,211	118,739

19. COMPANY LIMITED BY GUARANTEE

The Cambridge Theological Federation is a company limited by guarantee and the liability of the members is limited to £10 each