

CAMBRIDGE THEOLOGICAL FEDERATION  
(Company limited by guarantee and without share capital)

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 1 SEPTEMBER 2003

TO 31 AUGUST 2004

COMPANY NUMBER: 04700056



CAMBRIDGE THEOLOGICAL FEDERATION  
(a company limited by guarantee and without share capital)

Company information

Directors

Malcolm Brown  
Mike Clargo  
Chris Cocksworth  
Graham Dow  
David Ford  
Elizabeth Gordon  
Daniel Hardy  
Morna Hooker-Stacey  
David Hull  
Jane Leach  
Philip Luscombe  
Susan O'Brien  
Stephen Orchard  
Marcus Plested  
Michael Roberts  
David Thompson  
Bridget Tighe  
Timothy Ware  
Clive Young

Secretary

Christopher P W Wright

Registered Office:

Federation Executive Office  
Wesley House  
Jesus Lane  
Cambridge  
CB5 8BQ

Reporting Accountants

Reardon & Co Ltd  
Chartered Accountants  
Ash House  
Breckenwood Road  
Fulbourn  
Cambs CB1 5DQ

Bankers

Barclays Bank plc  
Sidney Street  
Cambridge  
PO Box No 2  
CB2 3PZ

Status

Cambridge Theological Federation is a company limited by guarantee, number 04700056. It is registered in the United Kingdom as a charity, number 1099953.

CAMBRIDGE THEOLOGICAL FEDERATION  
(a company limited by guarantee and without share capital)

Contents	Page
Director's report	3 - 5
Reporting Accountant's report	6
Statement of financial activities	8
Balance sheet	9
Notes to the financial statements	10 - 12

CAMBRIDGE THEOLOGICAL FEDERATION  
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REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the period 1 September 2003 to 31 August 2004.

OBJECTS AND PRINCIPAL ACTIVITIES OF THE COMPANY AND PROPOSED CHARITY

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 charitable company is run by a group of Directors, normally referred to as 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 chaired by one of their number, elected on a rotational basis.

The Federation's objects 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.

DIRECTORS

The directors who have served for the period 1<sup>st</sup> September 2003 to 31<sup>st</sup> August 2004 were as follows:

Malcolm Brown	Morna Hooker-Stacey	Stephen Orchard
Mike Clargo	David Hull	Michael Roberts
Chris Cocksworth	Jane Leach	David Thompson
Graham Dow	Philip Luscombe	Bridget Tighe
David Ford	Susan O'Brien	Timothy Ware
Elizabeth Gordon	Marcus Plested	Clive Young
Daniel Hardy		

DIRECTORS RESPONSIBILITIES

Company law requires the directors 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 results for the period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

CAMBRIDGE THEOLOGICAL FEDERATION  
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DEVELOPMENTS AND ACHIEVEMENTS OF THE COMPANY

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. A total of 476 students were engaged in full or part-time courses and at the end of the academic year, those completing courses can be summarised as follows:

Through University of Cambridge and its Faculty of Divinity	
Certificate in Theology for Ministry (CTM) 2 year course	7
Certificate in Theological and Pastoral Studies (CTPS) 1 year course	32
Certificate in Theology for Ministry (CTh) 1 year course	36
Bachelor of Theology for Ministry	12
BA in Theology and Religious Studies (Tripos)	18
MPhil	5
PhD	1
Through the University of Wales, Bangor:	
Bachelor of Theology for Ministry	1
Diploma in Higher Education in Christian Ministry in the Modern World	16
Certificate in Higher Education in Christian Ministry in the Modern World	3
Through Anglia Polytechnic University:	
MA in Pastoral Theology	32
Postgraduate Diploma in Pastoral Theology	8
Postgraduate Certificate in Pastoral Theology	2
MA in Jewish-Christian Relations	7
Postgraduate Diploma in Jewish-Christian Relations	2
Postgraduate Certificate in Jewish-Christian Relations	2
PhD	1
Through University of London:	
PhD	1

In February 2004 the Federation and its Member Institutions were visited by a team of 16 inspectors appointed by the participating churches as part of the regular pattern of inspections. Two paragraphs taken from the summary and the conclusion of their comprehensive report indicate that they were well satisfied with what they found:

The Inspection Team believes that the Federation will continue to help the wider Church to a deeper and broader understanding of unity through diversity. We also believe that the power and resources of federated and interdependent, but also autonomous, institutions can be drawn upon for the future flourishing of the Cambridge Theological Federation as a whole.

CAMBRIDGE THEOLOGICAL FEDERATION  
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REPORT OF THE DIRECTORS (continued)

Within the arena of theological education, training and formation, the Cambridge Theological Federation has become part of the landscape of the mind locally, regionally and nationally. This has been achieved through a period of change and uncertainty. The inspectors have found evidence of ongoing progress in the common purpose, worship services, curriculum and corporate life of the Federation. They conclude that the Federation and its member institutions are fit for the purpose of training men and women for the ordained, authorised and other lay ministries of the participating churches.

The 17 detailed recommendations which the Inspectors made to the Federation encourage it to continue with the developments which have flowed from the 1998 Inspection and they are being addressed by the various working committees of the Federation.

A major task being undertaken by Federation staff is the design of a new degree programme to bring together programmes validated under two different systems and to allow access by other training courses in the region. Implementation is expected in October 2006

RISK ASSESSMENT

The Directors, through the Finance, Resources and Administration Committee, conduct a periodic review of the major risks to which the Company is exposed and, as part of this process, are implementing a risk management strategy which comprises:

- i the establishment of systems and procedures to mitigate risks to the stock of the libraries of the Federation and its Member Bodies;
- ii the establishment of comprehensive back-up procedures for the Federation's IT systems; and
- iii periodic review of these procedures and of other major risks which the Company may face.

REPORTING ACCOUNTANTS

A resolution to re-appoint Reardon & Co Limited, Chartered Accountants as Reporting Accountants to the charity will be proposed at the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

SIGNED ON BEHALF OF THE DIRECTORS

*Daniel W. Hardy*

Approved by the Directors on 7 December 2004

CAMBRIDGE THEOLOGICAL FEDERATION  
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ACCOUNTANTS' REPORT TO THE MEMBERS ON THE UNAUDITED  
ACCOUNTS OF CAMBRIDGE THEOLOGICAL FEDERATION

We report on the accounts for the period ended 31 August 2004 set out on pages 7 – 10.

**Respective responsibilities of directors and reporting accountants**

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

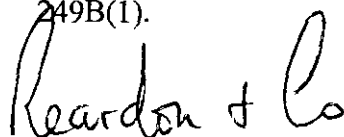
**Basis of opinion**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and the making such limited enquiries of the officers of the company as we considered necessary for the purposes of the report. These procedures provide only the assurance expressed in our opinion.

**Opinion**

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act as modified by section 249A(5) and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Reardon & Co Limited  
Chartered Accountants  
Ash House  
Breckenwood Road  
Fulbourn  
Cambridge  
CB1 5DQ

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PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTIONS

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Statement of Recommended Practice on Accounting by Charities issued by the Charity Commission in October 1995. A summary of the more important accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention.

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the charity will continue in operational existence for the foreseeable future.

TANGIBLE FIXED ASSETS

The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a reducing balance basis over the expected useful economic lives of the assets concerned. The principal annual rates for this purpose are:

Office equipment	-	25%
MA Office equipment	-	25%

TAXATION

Cambridge Theological Federation is a registered charity, and therefore is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

CASH FLOW STATEMENT

Cambridge Theological Federation qualifies as a small company under the terms of section 247 of the Companies Act 1985. As a consequence, it is exempt from the requirements to publish a cash flow statement under Financial Reporting Standard 1 (revised) "Cash flow statements".



CAMBRIDGE THEOLOGICAL FEDERATION  
(a company limited by guarantee and without share capital)

STATEMENT OF FINANCIAL ACTIVITIES  
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR 1 SEPTEMBER 2003 TO 31 AUGUST 2004

	Unrestricted funds 2004 £	Unrestricted funds 2003 £
INCOMING RESOURCES		
Fee income	183,867	30,281
RESOURCES EXPENDED		
Direct educational costs (Note 1)	(58,678)	(19,999)
Management and administration (Note 2)	(122,563)	(45,960)
	<u>(181,241)</u>	<u>(65,959)</u>
Profit/(Loss) for the period	2,626	(35,678)
Surplus transferred from the unincorporated Federation arising in the period 1 September 2002 to 17 March 2003 (Note 3)	-	38,685
	<u>2,626</u>	<u>3,007</u>
Deficit transferred from the unincorporated Federation	-	(9,074)
Deficit/Surplus funds	<u>£2,626</u>	<u>£(6,067)</u>

All of the charity's activities derived from continued operations. The charity has no recognised gains or losses other than those shown above and, therefore no separate statement of total recognised gains and losses has been presented.

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BALANCE SHEET AT 31 AUGUST 2004

	2004 £	2003 £
FIXED ASSETS		
Tangible fixed assets (Note 3)	4,377	5,399
CURRENT ASSETS		
Debtors (Note 4)	10,829	2,781
Cash at bank and in hand	4,289	98
	<u>15,118</u>	<u>2,879</u>
CURRENT LIABILITIES (amounts falling due within one year) (Note 5)	24,969	14,345
NET CURRENT LIABILITIES	<u>(9,851)</u>	<u>(11,466)</u>
TOTAL NET LIABILITIES	<u>£(5,474)</u>	<u>£(6,067)</u>
FUNDS		
Surplus/Deficit for the year	2,626	-
Accumulated income fund (Note 6)	(8,100)	(6,067)
	<u>£(5,474)</u>	<u>£(6,067)</u>

For the year ended 31 August 2004 the company was entitled to exemption under section 249a(1) of the Companies Act 1985. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249b(2). The directors acknowledge their responsibility for: (i) ensuring the company keeps accounting records which comply with section 221; and (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its statement of financial activity for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in their preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

SIGNED ON BEHALF OF THE DIRECTORS

*Daniel W. Hardy*

Director

APPROVED BY THE BOARD ON 7 DECEMBER 2004

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NOTES TO THE FINANCIAL STATEMENTS 2004

	2004 £	2003 £
<b>1. DIRECT EDUCATIONAL COSTS</b>		
Meals	1,359	1,066
Academic review	-	136
CTM teaching costs	4,174	2,174
MA teaching costs	30,602	12,586
BTh teaching costs	6,995	391
Pastoral studies	9,538	3,500
President	468	146
Part-time Tutor	5,542	-
	-----	-----
	£58,678	£19,999
	-----	-----
<b>2. MANAGEMENT AND ADMINISTRATIVE EXPENSES</b>		
Wages and salaries	76,666	31,714
Pension	-	(499)
Office rent	10,007	3,361
Office costs	7,991	1,452
IT sundries	1,560	(102)
Computer Technician	6,561	-
Handbook	670	1,550
Telephone	805	320
Library expenses	4,301	1,669
Audit and accountancy	6,221	2,000
Conferences and events	1,005	566
Bank charges	396	33
Office maintenance	-	691
Sundry expenses	4,921	2,375
Subscriptions	-	12
Depreciation	1,459	818
	-----	-----
	£122,563	£45,960
	-----	-----

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NOTES TO THE FINANCIAL STATEMENTS 2004 (Continued)

3. TANGIBLE FIXED ASSETS

COST	Office Equipment £	MA Office Equipment £	Total £
At 1 September 2003	4,881	1,336	6,217
Additions	437	-	437
	-----	-----	-----
At 31 August 2004	5,318	1,336	6,654
	-----	-----	-----
DEPRECIATION			
At 1 September 2003	638	180	818
Charge for the period	1,170	289	1,459
	-----	-----	-----
At 31 August 2004	1,808	469	2,277
	-----	-----	-----
NET BOOK VALUE			
At 31 August 2004	3,510	867	4,377
	-----	-----	-----
At 31 August 2003	4,243	1,156	5,399
	-----	-----	-----

4. DEBTORS	2004	2003
Amounts falling due within one year:	£	£
Trade debtors	10,199	2,641
Other debtors	630	140
	-----	-----
	£10,829	£2,781
	-----	-----

5. CREDITORS	2004	2003
Amounts falling due within one year:	£	£
Taxes and social security costs	-	1,844
Accruals and deferred income	16,969	12,501
Temporary loan account	8,000	-
	-----	-----
	£24,969	£14,345
	-----	-----

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NOTES TO THE FINANCIAL STATEMENTS 2004 (Continued)

6. ACCUMULATED INCOME FUND

	2004	2003
Within the unrestricted funds there are:	£	£
Designated fund – equipment	5,827	5,827
Designated fund – CAF grant	1,298	2,673
Library users	54	-
General fund	(15,279)	(14,567)
	-----	-----
	£(8,100)	£(6,067)
	=====	=====

7. CONTROL

The company is under the control of the members of the Federation who appoint the directors.

The Cambridge Theological Federation is a charity limited by guarantee and has no share capital. In the event of the company being wound up, the liability of each of the members is limited to £10.