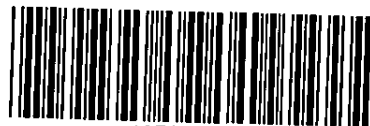


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# **The Queen's Foundation For Ecumenical Theological Education**

Annual Reports and Financial Statements  
For the Year Ended 31 August 2008

Company Registration No 5511503

Charity Registration No 1111892

**The Queen's Foundation for Ecumenical Theological Education  
Annual Report and Financial Statements  
For The Year Ended 31 August 2008**

**Contents**

	<b>Pages</b>
Administrative Information	1 – 2
Governors' Report	3 – 6
Auditors' Report	7 – 8
Statement of Financial Activities (including summary income and expenditure account)	9
Balance Sheet	10
Notes to the Financial Statements	11 – 16

## GOVERNORS 2008

- |   |   |
|---|---|
| C | David Ritchie CB, MA  |
| C | The Revd Bill Anderson BA   |
| C | The Revd Canon Brian Russell MA, PhD  |
| C | Yoshimi Gregory BA  |
| C | Mrs Sue Davis CBE   |
| C | Bishop Wilton R Powell OBE MBA.BscHon   |
| C | Ms Anthea Turner BA, MA, PGCE, Dip Mus  |
| C | Simon Kirby MA, MBA   |
| C | Ms Nwabueze Nwokolo LLB, BL.  |
| C | The Revd Timothy J Clarke MA.   |
|   |   |
| N | Simon Rowntree JP, BA<br>(Nominee of the General Assembly United Reformed Church)           |
| N | Professor Michael Clarke CBE, MA, DL<br>(Nominee of the Archbishops of Canterbury and York) |
| N | Miss Ena Evans BSc, CertEd. HonDSc<br>(Nominee of the Methodist Conference)                 |
|   |   |
| C | Co-optative Governors   |
| N | Nominative Governors  |

Auditors	Bankers	Solicitors
RSM Bentley Jennison Charterhouse Legge Street Birmingham B4 7EU	Bank of Scotland 55 Temple Row Birmingham B2 5LS	Anthony Collins 134 Edmund Street Birmingham B3 2ES

The Queen's Foundation for Ecumenical Theological Education  
Somerset Road, Edgbaston, Birmingham, B15 2QH  
a company limited by guarantee, Company Registration Number 5511503  
incorporating a charity administered by a Charity Commissioners Scheme  
regulated by The Charity Commissioners for England and Wales  
Registered Charity Number 1111892

## FOUNDATION STAFF 2008

### *Principal*

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

### *Director of Research*

The Revd Dr Adam Hood MA, BD, D.Phil  
Aberdeen University; Oxford University  
(Church of Scotland)

### *Director Selly Oak Centre for Mission Studies*

The Revd Val Ogden BA (Hons), MA Theol, MPhil, Dip Mission Studies.  
University of Wales, Kingsmead College Birmingham, Trinity College Dublin, University of Bristol, University of Manchester  
(Methodist)

### *Director of Studies*

Dr Peter Kevern BSc, BD, Ph.D, ILTM  
East Anglia University; Birmingham University  
(Anglican)

### *Lecturers*

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

Dr Mukti Barton BA (Hons), Ph.D  
Bristol University  
(Anglican)

The Revd Helen Cameron M.C.S.P., BA, M Phil  
Queen Margaret's College, Edinburgh;  
Queen's College Birmingham, University of Birmingham  
(Methodist Oversight Tutor)

The Revd Mark Earey BA (Hons), BSc (Hons) Cert Theology  
Loughborough University; Durham University  
(Anglican)

The Revd Dr Knut Heim M.Div, Ph.D  
University of Liverpool  
(Methodist)

The Revd Dr Michael Jagessar BA, MA, Ph.D, Cert.Ec.Studies  
West Indies University; Utrecht University  
(URC)

Dr Anthony Reddie BA, PhD  
Birmingham University  
(Methodist)

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

The Revd Dr. Joshva Raja John BSc, MSc MTheol, MA, PhD  
University of Edinburgh; University of Leicester; Serampore College; University of Madurai Kamaraj  
(Church of South India)

The Revd George Wauchope MPhil, BSc (Hons), BA, B Theol.  
University of Zimbabwe; University of South Africa.  
(Anglican)

Professor John M Hull Honorary Professor of Practical Theology  
and Emeritus Professor of Religious Education in the University of Birmingham; BA,  
B Ed (Melbourne); MA (Fitzwilliam, Cambridge);  
Ph D (Birmingham); Hon. D. Theol. (Frankfurt); Dr CH (Free University of Amsterdam)

### *Director of Finance/Bursar*

Michael H Johnson FCCA, FCIS

# **The Queen's Foundation for Ecumenical Theological Education**

## **Governors' Report**

**The Governors have pleasure in presenting their Report together with the audited Financial Statements for the year ended 31 August 2008.**

The financial statements have been prepared in accordance with the accounting policies set out on page 10 and comply with the Foundation's governing documents and applicable law.

### **Governing Documents**

The Queen's Foundation for Ecumenical Theological Education is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10<sup>th</sup> July 2005. 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 fourteen members (Governors) and each member agrees to contribute £1.00 in the event of a winding up.

### **Appointment of Governors**

The governance of the Foundation is the responsibility of the Governors, 3 of whom are nominated and 11 of whom are co-opted. The 3 nominated Governors are nominated respectively by the Church of England, the Methodist Church and the United Reformed Church in the United Kingdom. Existing Governors are serving terms of appointment of 3 years. New appointments and reappointments are made for a term of 3 years.

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

### **Organisation**

The governance of the Foundation is the responsibility of the Governors. The Governors in general meeting annually appoint one of their number to act as President of Governors.

The Governors have appointed 3 Sub-Committees. A Finance and General Purposes Committee oversees the Foundation's financial affairs and considers any specific issues referred to it by the Governors from time to time. An Academic Appointments Committee advises on all academic staff appointments, other than that of the Principal of the Foundation. A Strategy Group considers matters of policy and corporate planning. Other committees are appointed by the Governors from time to time to consider such specific matters as may be delegated by the Governors.

### **Risk Management**

The Governors have a risk management strategy which comprises: -

- An annual review of the risks which the charity may face.
- The establishment of systems and procedures to mitigate those risks identified in the plan.
- The implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

### **Objectives and activities**

Under its Memorandum 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.

### **Relationships with the Churches**

The fees of candidates for the ordained ministry are funded wholly or in part by the Church of England, the Methodist Church and the United Reformed Church in the United Kingdom. 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 and in particular through a joint course run with the Roman Catholic Oscott College.

### **Achievements and Performance -Review of the academic year 2007 / 2008**

The year has been one of consolidation of achievements in previous years and development on several new fronts. The Selly Oak Centre for Mission Studies, which was established in 2006, is now firmly consolidated within the life of the Foundation, with staff and students enriching our common life and bringing new vitality to the campus. The new Centre for Ministerial Formation, which brought together the College and the Course, has also done its work well. With buoyant numbers in both Centres physical and human resources have been stretched to their limit and posed considerable organizational challenges. The Centre for Ministerial Formation has been inspected during the year and a report received. This report affirms the suitability of the Foundation and the Centre for the training of ministerial candidates for the Church of England and the Methodist Church, and makes a number of recommendations for review and development. Governors have formally responded to these recommendations and are confident that all action required has been taken. A follow up visit to conclude the report is expected in the autumn of 2008. The University of Birmingham also conducted a review of the taught programmes. A report has been received which recommends renewal of the validation arrangement. The Director of Studies has developed an appropriate action plan to fulfill the requirements and recommendations of the review, and a follow up visit is expected in the autumn of 2008 to conclude this process.

Developments have taken place on four fronts: i) the Graduate and Research Centre has negotiated a new agreement with the University of Birmingham which provides a secure financial basis for the Centre, and gives greater clarity about the recruitment aims of the Centre. The new financial arrangements came into operation during the year, although the agreement still awaits final confirmation and signing. ii) Tutors have done considerable work on the development of the MA in Applied Theological Studies, providing new pathways for different constituencies. These new pathways will come into operation in September 2008. A new MA team under the leadership of Dr Nicola Slee will deliver these programmes. iii) Agreement has been reached with the Archbishops' Council of the Church of England for funding for new work in relation to minority ethnic Anglican theological education and training. Relationships with the Church of God of Prophecy have also been consolidated during the year and a new partnership with the New Testament Church of God has been developed, with the result that a new Centre for Black Ministries and Leadership will be established in September 2008. iv) Considerable investment has been made in upgrading student and staff accommodation on the campus in the Handsworth Flats, in upgrading student accommodation in the New Building, in rewiring and replacing the fire alarm system in the

New Building, and in providing a temporary lecture room. These developments will substantially ease pressure on the site.

During the year the Trustees of the Research Fellowship Trust Fund decided to wind up the Trust and, with the permission of the Charity Commissioners, transfer its assets of £230,000 to the Foundation. The trust has raised almost £100,000 over the last 30 years to provide grants to support research fellows studying at Queen's. In 2000, a further £100,000 was transferred from the Foundation to the Research Trust, from the Rank 1999 Fund. A debt of gratitude exists to all the Trustees, past and present for their energetic fund raising and prudent financial management, which enabled grants to be made to research fellows at a time prior to the creation of the Research Centre, and its subsequent growth as a specialized post graduate educational unit within the institution.

### **Retiring Governors**

The end of the financial year coincided with the retirement of Simon Kirby as a Governor, after 18 years on the Finance Committee, the last five as its Chairman. The great improvement in the institution's financial strength and stability over the last decade reflects much credit on his leadership, and the introduction of modern management techniques of controls and measurement, which underpinned financial recovery and encouraged capital expenditure in refurbishing of much of the campus and its infrastructure.

### **Financial Review**

The unrestricted operating surplus for the year ended 31<sup>st</sup> August 2008 was £387,009, (2007, £82,158) which included income of £231,002 following a transfer of assets from the winding up of the Research Fellowship Trust Fund. Net unrealised losses on unrestricted investments amounted to £77,666 (2007 profit of £34,416) producing a net increase in unrestricted funds for the year of £309,343 (2007 £116,574).

Restricted Funds include special funding of £11,282 (2007, £574,732). Unrealised losses on investments held in Restricted Funds were £5,615 (2007, profit of £2,968), and after charging amortisation on the library extension, a deficit of £15,258 (2007, surplus £558,214) reduced the annual total to £797,370 (2007, £812,628)

The Endowment Fund, the principal assets of which are the campus property and £1.3 million investments suffered most from the turbulence in stock markets, with a deficit of £195,339 in unrealised losses on investments (2007, profit of £94,014) After accounting for depreciation on the property, the total deficit was £268,969 (2007, surplus of £36,554) and the annual total £1,968,462 (2007, £2,237,431)

### **Reserves Policy**

The Governors consider that the level of unrestricted reserves, which stood at £962,888 at 31<sup>st</sup> August 2008 (2007, £653,545) are adequate for the Foundation's needs, representing 70% of annual operating costs. The endowment reserves, including unrealised losses on investments, stand at £1,968,462 (2007, £2,237,431). Substantial sums from this fund are required to renovate and refurbish existing buildings on the Somerset Road campus as set out in the current business plan

### **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.

In addition to the continued development of the existing centres within the Foundation, the current plan looks forward to the creation of the Centre for Black Ministries and Leadership in September 2008, with its initial commitment to provide both a resource for theological education for minority ethnic Anglicans and also develop educational pathways for students from the black led churches.

It is also the intention of the Governors to pursue an ambitious programme of building additional lecture facilities on the campus, whilst continuing with widespread refurbishment of existing infrastructure.

#### **Governors' Responsibilities**

Company law requires the Governors to prepare for each financial year financial statements, which give a true and fair view of the state of affairs of the Foundation at the end of the financial year and of its surplus or deficit for that year. In preparing the financial statements the Governors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards and statements of recommended practice without any material departures; and
- prepared the financial statements on a going concern basis as long as it is appropriate to consider that the charity will continue in business.

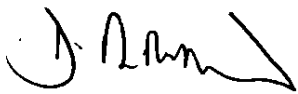
The Governors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's directors, we certify that: -

- so far as we 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**

The company's auditors, Wenham Major Limited, ceased to practice with effect from 14th May 2008. RSM Bentley Jennison have been appointed to fill the casual vacancy created and will be proposed for reappointment in accordance with section 385 of the Companies Act 1985



President of Governors  
26<sup>th</sup> November 2008



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

We have audited the financial statements of The Queen's Foundation for Ecumenical Theological Education for the year ended 31 August 2008 on pages 9-19. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 12. This report is made solely to the charity's governors, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work had been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Trustees and Auditors**

As described on page 6 the governors, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustee's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the company is not disclosed. We read the Trustees' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the

amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charity's affairs as at 31 August 2008 and of its surplus for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Governors' Report is consistent with the financial statements.

*Tom Bentley-Jennison*  
**RSM Bentley Jennison**  
**Chartered Accountants and**  
**Registered Auditors**

**Charterhouse**  
**Legge Street**  
**Birmingham**  
**B4 7EU**

Date *2 December 2008*

**THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION**  
**STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT**  
**AS AT 31st AUGUST 2008**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2008 Total £	2007 £
<b>INCOMING RESOURCES</b>						
Tuition Fees & Accommodation Charges	15	995,245	-	-	995,245	849,089
Investment Income	5	95,217	2,150	-	97,367	75,174
Grants and Donations	6	594,948	11,282	-	606,230	944,336
<b>TOTAL INCOMING RESOURCES</b>		<b>1,685,410</b>	<b>13,432</b>	<b>-</b>	<b>1,698,842</b>	<b>1,868,599</b>
<b>RESOURCES EXPENDED</b>						
<b>Charitable activities</b>						
Costs of Providing Education	16	1,267,747	23,075	73,630	1,364,452	1,255,143
<b>Governance Costs</b>		<b>30,654</b>	<b>-</b>	<b>-</b>	<b>30,654</b>	<b>33,512</b>
<b>TOTAL RESOURCES EXPENDED</b>		<b>1,298,401</b>	<b>23,075</b>	<b>73,630</b>	<b>1,395,106</b>	<b>1,288,655</b>
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>387,009</b>	<b>(9,643)</b>	<b>(73,630)</b>	<b>303,736</b>	<b>579,944</b>
<b>OTHER GAINS AND LOSSES</b>						
Unrealised profits on investments		1,014			1,014	131,398
Unrealised (losses) on investments		(78,680)	(5,615)	(195,339)	(279,634)	-
<b>Net movement in funds</b>		<b>309,343</b>	<b>(15,258)</b>	<b>(268,969)</b>	<b>25,116</b>	<b>711,342</b>
Funds brought forward at 1st September 2007		653,545	812,628	2,237,431	3,703,604	2,922,262
Funds carried forward at 31st August 2008		<b>962,888</b>	<b>797,370</b>	<b>1,968,462</b>	<b>3,728,720</b>	<b>3,633,604</b>

**INCOME AND EXPENDITURE ACCOUNT**

**YEAR ENDED 31ST AUGUST 2008**

	2008 £	2007 £
Income	1,709,531	1,526,296
Operating Expenses	(1,395,106)	(1,288,655)
	<b>314,425</b>	<b>237,641</b>

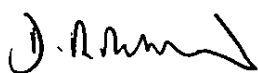
# THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

## BALANCE SHEET AS AT 31st AUGUST 2008

		2008	2007
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible Assets	3,4	2,098,886	1,385,943
Investments	7	2,095,820	2,157,900
		<u>4,194,706</u>	<u>3,543,843</u>
<b>CURRENT ASSETS</b>			
Stocks		5,380	5,219
Debtors	8	21,421	35,706
Short term Deposits		82,077	276,603
Bank and Cash in hand		<u>32,510</u>	<u>32,936</u>
		<u>141,388</u>	<u>350,464</u>
<b>CREDITORS</b>			
Amounts falling due within 1 year	9	<u>602,374</u>	<u>185,703</u>
<b>NET CURRENT LIABILITIES</b>		<u>(460,986)</u>	<u>164,761</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,733,720</u>	<u>3,708,604</u>
<b>CREDITORS</b>			
Amounts falling due after more than 1 year	10	5,000	5,000
<b>NET ASSETS</b>		<u><u>3,728,720</u></u>	<u><u>3,703,604</u></u>
<b>FUNDS</b>			
Endowment		1,968,462	2,237,431
Restricted	11	797,370	812,628
Unrestricted (inc Designated Funds)	14	962,888	653,545
		<u><u>3,728,720</u></u>	<u><u>3,703,604</u></u>

Approved by the Governors on 26th November 2008

David Ritchie



Sue Davis



**I. ACCOUNTING POLICIES****a Basis of Preparation**

The accounts have been prepared under the historical cost convention, with the exception of investments which are recorded at market value. The accounts are drawn up in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities, dated March 2005, applicable UK Accounting Standards and the Companies Act 1985. The principal accounting policies adopted in the preparation of the financial statements are set out below.

**b Incoming Resources**

Voluntary income including donations, gifts and legacies and grants that provide core funding or are of general nature are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods. Investment income is recognised on a receivable basis.

**c Resources expended**

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that results in the payment being unavoidable. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities comprise expenditure associated with the provision of education and include both the direct costs and support costs relating to these activities.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

**d Irrecoverable VAT**

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

**e Tangible fixed assets**

Individual fixed assets costing £500 or more are capitalised at cost.

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives as follows:

Land & Buildings - Leasehold	Nominal £10000 for expiration of lease 10% on cost of Refurbishment Scheme
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 at 31.8.89 or subsequent cost

**f Stock**

Stock is included at the lower of cost or net realisable value.

**g Funds structure**

The Trust has a number of restricted income funds to account for situations where a donor requires that a donation must be spent on a particular purpose or where funds have been raised for a specific purpose. All other funds are unrestricted income funds.

**2 LEGAL STATUS OF THE CHARITY**

The Charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

### 3 TANGIBLE FIXED ASSETS

Cost or valuation	Land and Buildings £	Furniture & Equipment £	Heating & Plant £	Motor Vehicles £	Total £
Balance at 1st September 2007	1,664,174	455,990	94,727	0	2,214,891
Additions	815,181	36,509			851,690
At 31st August 2008	<u>2,479,355</u>	<u>492,499</u>	<u>94,727</u>	<u>0</u>	<u>3,066,581</u>
<b>Accumulated depreciation</b>					
Balance at 1st September 2007	391,150	390,775	47,023	0	828,948
Charge for the year	95,601	36,338	6,808		138,747
At 31st August 2008	<u>486,751</u>	<u>427,113</u>	<u>53,831</u>	<u>0</u>	<u>967,695</u>
<b>Net book value</b>					
At 31st August 2008	<u>1,992,604</u>	<u>65,386</u>	<u>40,896</u>	<u>0</u>	<u>2,098,886</u>
At 31st August 2007	<u>1,273,024</u>	<u>65,215</u>	<u>47,704</u>	<u>0</u>	<u>1,385,943</u>

### 4 LAND AND BUILDINGS

	2008 £	2007 £
The Foundation, comprising leasehold property in Somerset Road and Farquhar Road, Edgbaston ( Lease expires 2062 ), at 1st September 2007	1,273,024	912,441
Add expenditure during the year		
Library Extension	11,282	367,431
Other Refurbishments	<u>803,899</u>	<u>72,000</u>
	815,181	439,431
	<u>2,088,205</u>	<u>1,351,872</u>
Less depreciation	<u>(95,601)</u>	<u>(78,848)</u>
	<u>1,992,604</u>	<u>1,273,024</u>

### 5 INVESTMENT INCOME

Interest - Investment funds	62,236	54,054
Interest - Property funds	16,851	15,241
Interest - Fixed Interest Securities	352	
Interest on cash deposits	15,606	4,151
Interest on 9% Treasury Stock 2011	450	
Sundry interest	<u>1,872</u>	<u>1,728</u>
	<u>97,367</u>	<u>75,174</u>

### 6 GRANTS AND DONATIONS

Methodist Church Building Grant (restricted)	11,282	363,691
Methodist Church Mission Grant	201,921	206,441
USPG Mission Grant	112,476	108,061
RFTF winding up Grant	231,002	11,000
Methodist Church K Heim Research Support	20,000	-
A Reddie salary support	17,206	29,097
St Boniface Trust (Mission)	10,009	-
SOCET winding up Grant	-	211,041
St Peters Trust	-	7,500
The Revd Bishton legacy	-	1,000
Other donations less than £1,000	<u>2,334</u>	<u>6,505</u>
	<u>606,230</u>	<u>944,336</u>

**7 FIXED ASSET INVESTMENTS**

	2008	2007
	£	£
Market value at 31st August 2007	2,157,900	2,021,124
Interest received and reinvested	6,213	5,378
Donation of Investments	210,327	
Sale of Investments		
Profit/(Loss) realised on sale		
Net unrealised (loss)/profit on revaluation	(278,620)	131,398
At 31st August 2008	<u>2,095,820</u>	<u>2,157,900</u>
Historical cost at 31st August 2008	<u>1,091,665</u>	<u>875,124</u>

The following investments represent more than 5% of the total value of investments: -

	Cost	Market Value
Central Board of Finance Investment Funds	574,522	1,705,032
Central Board of Finance Property Fund	<u>361,984</u>	<u>354,963</u>

**8 DEBTORS**

	2008	2007
Debtors	13,902	27,050
Prepayments & Accrued Income	<u>7,519</u>	<u>8,656</u>
	<u>21,421</u>	<u>35,706</u>

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

Creditors	448,434	128,938
Accruals & deferred income	<u>153,940</u>	<u>56,765</u>
	<u>602,374</u>	<u>185,703</u>

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

Loan from the Methodist Church	<u>5,000</u>	<u>5,000</u>
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The loan from the Methodist Church is to support the appointment of a Dean of Research Studies in the Research Centre. The loan is interest free.

**11 RESTRICTED FUNDS**

	Movement in Funds			
	Balance 31.8.07	Incoming Resources	Expenditure (-) & Gains	Balance 31.8.08
	£	£	£	£
Consolidated Bursary Fund	76,270	1,645	(5,615)	72,300
Foundation Bursary Fund	8,760	505		9,265
Methodist Church - Library Extension	516,557	11,282	(21,971)	505,868
Mission Centre Fund	211,041	-	(1,104)	209,937
	<u>812,628</u>	<u>13,432</u>	<u>(28,690)</u>	<u>797,370</u>

The Bursary and Foundation Funds are available at the discretion of the Principal and Director of Finance to support the fees of deserving students.

The Methodist Library Fund is to provide for the extension of the existing library to house the book collection of the Selly Oak Centre for Mission Studies

The Mission Centre Fund comprises a share of the funds released by the winding up of the Selly Oak Colleges Endowment Fund

## 12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	825,862	505,868	767,156	2,098,886
Investments	709,316	42,679	1,343,825	2,095,820
Current Assets	132,124	9,264	-	141,388
Fund Loan	(97,040)	239,559	(142,519)	-
Creditors - Within one year	(602,374)	-	-	(602,374)
- After one year	(5,000)	-	-	(5,000)
	<u>962,888</u>	<u>797,370</u>	<u>1,968,462</u>	<u>3,728,720</u>

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

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

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

The Trustees for Methodist Church Purposes	<u>549,236</u>
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## 13 TRANSFERS TO DESIGNATED FUNDS

	2008	2007
AD 2062 Stephen Lloyd Fund	1,500	1,500
AD 2002 Roof Replacement Fund	2,000	2,000
Staff Family Gratuity Fund	250	250
Contingencies Reserve	800	800
	<u>4,550</u>	<u>4,550</u>

## 14 UNRESTRICTED FUNDS

### Designated Funds

The funds of the Foundation include the following designated funds which have been set aside out of unrestricted funds by the Governors for specific purposes.

	Balance 31.8.07	Incoming Resources	Gains, (Losses) & Allocations	Balance 31.8.08
AD 2062 Stephen Lloyd Fund	311,778	5,425	(17,254)	299,949
Capital Works Fund	143,970		(28,693)	115,277
Staff Gratuity Fund	25,369	789	(2,477)	23,681
Contingency Reserve	24,241	732	800	25,773
Research Fellowship Trust Fund		231,001		231,001
	<u>505,358</u>	<u>237,947</u>	<u>(47,624)</u>	<u>695,681</u>

Note - The AD2062 Stephen Lloyd Fund is increased by an annual transfer of £1,500. This annual allocation, plus compound interest is intended to provide resources on the expiry of the main lease.

### General Funds

	Total
Surplus/(Deficit) at 31st August 2007	148,187
Surplus/(Deficit) for year	119,020
Surplus/(Deficit) at 31st August 2008	<u>267,207</u>
<b>Total Unrestricted Funds at 31st August 2008</b>	<u><b>962,888</b></u>



	2008 £	2007 £
<b>15 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES</b>		
<b>Student Fees</b>		
Centre for Ministerial Formation	678,411	562,055
Non Residential tuition	38,336	27,527
Research Centre	69,348	51,607
	<u>786,095</u>	<u>641,189</u>
<b>Accommodation Charges</b>		
Married accommodation	152,016	139,515
Lettings of single rooms etc.	24,914	32,526
Conferences, guests etc.	32,220	35,859
	<u>209,150</u>	<u>207,900</u>
<b>Total Fees &amp; Accommodation Charges</b>	<u>995,245</u>	<u>849,089</u>
<b>16 ANALYSIS OF CHARITABLE EXPENDITURE</b>		
Academic & Library Costs	643,689	583,137
Administrative Costs (excluding Governance)	191,208	189,132
Catering Costs	125,977	119,182
Domestic Costs	48,572	45,744
Premises Costs	355,006	317,948
	<u>1,364,452</u>	<u>1,255,143</u>
<b>17 STAFF EMOLUMENTS</b>		
Salary Costs	572,040	532,607
National Insurance	49,668	44,959
Pension Costs	105,015	105,879
	<u>726,723</u>	<u>683,445</u>
No employee received emoluments, as defined for tax purposes of over £60,000 in either year.		
The average number of employees during the year, calculated on a full time equivalent basis was as follows: -		
Academic and Library	13.5	12.7
Administrative and Others	12.2	12.3
	<u>25.7</u>	<u>25.0</u>

#### **18 AUDITORS REMUNERATION**

The auditors remuneration of £6,575 (2007 £5,405) related solely to the audit.

#### **19 TRUSTEES REMUNERATION**

Trustees received reimbursed travelling expenses of £29 during the year (2007: £124)

## 20 PENSION COSTS

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

During the year the Foundation's contributions were:

	2008 £	2007 £
CEFPS	13,656	13,248
CWFP	66,418	69,668
MMPF	9,480	9,112
URCMPF	2,701	10,619
FP	12,760	3,232
	<u>105,015</u>	<u>105,879</u>

Valuations of the Schemes were carried out as at 31 December 2006 (CEFPS), 31 December 2004 (CWFP), 30 September 2005 (MMPF) and 31 December 2006 (URCMPF)

The CEFPS is a defined benefit scheme but the Foundation is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. At the latest valuation the contribution rate is 35% of pensionable stipends

The CWFP is also a defined benefit scheme of which the Foundation is unable to identify its share of the underlying assets and liabilities. Each employer in the scheme is exposed to actuarial risks associated with current and former employees of other entities participating in the defined benefits scheme. At the latest valuation the contribution rate was 25.49% of pensionable salaries.

For schemes such as the CEFPS and CWFP, paragraph 9(b) of FRS 17 requires the Foundation to account for pension costs on the basis of contributions actually payable to the Scheme in the year.