

The Queen's
Foundation
1970-2020



THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

AMENDED ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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

Company Registration No 05511503

Charity Registration No 1111892

AMENDED ACCOUNTS

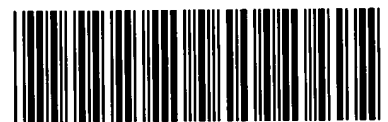
These accounts have been prepared as they were at the date of the original accounts, replace the original accounts and are now the statutory accounts.

The following amendments have been made:

- Amended wording in audit report for OfS – no changes to the audit opinion
- Note 16 staff emoluments amended for Principal's Salary

There has been no change in the financial position of the Company as a consequence of these amendments.

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COMPANIES HOUSE

ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

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Governors 2020-21

Co-opted Governors

- The Revd Kenneth Howcroft, President of the Governing Body (Methodist). Former President of the Methodist Conference
- The Rt Rev Paul Bayes, (Anglican) Bishop of Liverpool. Vice President of the Governing Body.
- The Revd Claire Maxim (Anglican), CEO Arthur Rank Centre
- Dr Paul Stewart, Head of Training, Church of God of Prophecy
- The Revd Lucy Winkett (Anglican), Rector, St. James', Piccadilly
- Professor Helen Dent, (Anglican), Reader
- Mrs Mavis Jones (Wesleyan Holiness Church)
- The Revd Chris Collins (Methodist, South Worcestershire Circuit)
- The Rt Revd Sarah Bullock (Anglican) Bishop of Shrewsbury

Nominated Governors

- The Ven. Simon Heathfield (Anglican), Archdeacon of Aston (West Midlands Bishops' nominee)
- Dr Rachel Jepson (Anglican), General Synod Representative, Birmingham Diocese.
- Professor Ken Mortimer (Methodist, nominated by the Methodist Council)
- The Revd Helen Kirk (Methodist), Chair of Chester and Stoke-on-Trent District (nominated by the Methodist Council)

Auditors

JW Hinks LLP
19 Highfield Road
Edgbaston
Birmingham B15 3BH

Bankers

Bank of Scotland
55 Temple Row
Birmingham
B2 5LS

Solicitors

Anthony Collins
134 Edmund Street
Birmingham
B3 2ES

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

GOVERNORS' REPORT

The members of the board of Governors present their report together with the financial statements of The Queen's Foundation for Ecumenical Theological Education for the year ended 31 August 2021. The report has been prepared in accordance with Part 8 of the Charities Act 2011 and constitutes a Directors' report for the purposes of company legislation.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 to 17 and comply with the charitable company's memorandum and articles, applicable laws and the requirements of the Statement of Recommended Practice on "Accounting and Reporting by Charities" (FRS 102).

President of Governors Introduction

Covid-19. This proved to be a positive and successful year in spite of the continuing challenges posed by the global pandemic throughout the year. Though the lockdowns, fluctuating Government advice, and practical challenges for staff and students had to be negotiated, the Queen's Community as a whole worked extremely well together to continue being an international community of learners despite the difficulties. In many ways the most demanding work had already been done between March and July as this proved preparatory for that became a year almost wholly online as far as teaching provision was concerned. The fact that a full programme of learning was delivered at all was a monumental achievement. Staff changes (including the arrival of a new Principal, Prof. Clive Marsh), and the demands of trying to induct new staff within and between lockdowns, added extra pressures. Even so, the community managed all of this and is to be congratulated for doing so.

The loss of conference income and external bookings was keenly felt during 2020-21, and very limited use of the furlough scheme was possible.

Distance Learning. As reported last year, the Foundation had agreed to take over the Distance Learning formerly provided by St John's College, Nottingham. The challenges of taking on a large group of students proved to be more considerable than expected. A formal, institutional transfer of around 20 staff (mostly associate tutors) and 100 students on 1st August 2020 had been hoped for. In the end, 53 students and a number of associate tutors (though no contracted staff) chose individually to transfer to Queen's. We are grateful for some emergency funding from the Archbishops' Council of the Church of England (£76k in 20-21, with £24k to come in 21-22) which has made the transfer more manageable, though are conscious that we as a Foundation have needed to supplement this amount considerably both through the allocation of staff-time to manage the transfer, and by adding our own funds to the Archbishops' Council grant to consolidate the staffing of the Distance Learning work at Queen's in the longer-term.

'The Next 50'. Whilst almost all 50th Anniversary events planned for 2020 had to be cancelled or postponed due to Covid-19, the Governors have supported a plan to undertake a major fund-raising venture in the next two years, to find and release resources for 'Bursaries and Buildings'. This initiative recognises that one of the main obstacles to consolidation of existing work, and the development of new programmes, is the difficulty some students have in securing sufficient funding for studies which they desire, and are qualified, to undertake. Part-bursaries for fees, and potential partnerships with financially-supporting churches, could offset some of these difficulties. In addition, some major work is needed on Queen's buildings which goes beyond basic maintenance and minimal upgrade. Whether or not the decision will be taken to seek to extend the lease for the main campus (by 2062) the 35-40 years' life and use of the existing buildings merit careful attention. The Governors have agreed to match from reserves whatever figure from £400k-500k can be raised for these two purposes within the next five years, thus producing a development fund of up to £1m in total. This coheres with the change in Reserves Policy agreed in principle in 2020, and confirmed in 2021.

Strategic Plan. The priorities of the new Strategic Plan remain in place: development in the areas of Black Theology, Research, Distance Learning and the work with Global Students funded by the Partnership in Theological Education (PITE). One particular recent emphasis has been to work out how the interplay between

the (now) five Centres which make up the Foundation takes effect i.e. how Black Theology, Continuing Ministerial Development, Discipleship, Ministerial Formation, and Research and International work all inter-relate, and inform and challenge each other.

Research, Publications and Broadcasts (2020-21)

Academic staff have been active in research and in producing publications and, in one case, a radio programme. These include:

Dr Dave Allen, 'Mark's Story - Little Ones at the Centre?' *Expository Times* 132 (2021), 302-09; 'Continuity and Discontinuity: The Relationship between the Two Testaments.' *Bible in Transmission* Spr 21 (2021), 14-17.

Prof. Robert Beckford, *My Theology: Duppy Conqueror*. London: DLT, 2021; "Handsworth Revolution: Reggae Theomusicology, Gospel Borderlands and Delinking Black British Contemporary Gospel Music from Colonial Christianity." in William Henry and Matthew Worley (eds.), *Narratives from Beyond the Reggae Baseline: The System is the Sound*. (London: Palgrave 2021), 289-314. 'Black Jesus.' (Radio Documentary) BBC World Service (25 mins) 2020.

Revd Dr Jane Craske, *Doing Theology in the Tradition of the Wesleys* (Cambridge: Grove Books 2020).

Revd Mark Earey, *How to Present Words for Worship in Print and on Screen* (Cambridge: Grove Books 2021).

Prof. Clive Marsh, *What is Salvation For?: Exploring the Human Experience of God's Saving Work* (Cambridge: Grove Books 2021).

Revd. Dr Judith Rossall, "'Obscure' and Senseless"? - Another Look at When Cajetan Met Luther', *Lutheran Forum*, 54.4 (2020), 21-27; 'Whose Honour, Whose Shame?', *Anvil: Journal of Theology and Mission*, 37.2 (2021), 25-29.

Prof. Nicola Slee, *Fragments for Fractured Times: What Feminist Practical Theology Brings to the Table* (SCM 2020); co-edited with Andrew Rogers, *Celebrating the Past, Present and Future of British and Irish Practical Theology: Roots, Shoots and Fruits* (Routledge 2021); 'Witnessing to what remains, or the power of persisting: Power, authority and love in the interim spaces', in Kerrie Handasyde, Cathryn McKinney & Rebekah Pryor (eds.) *Contemporary Feminist Theologies: Power, Authority, Love*, (Routledge 2021), 21-32; 'The Crucified Christa: A Re-Evaluation' in Jayme Reaves, David Tombs and Rocio Figueroa (eds.) *When Did We See You Naked? Acknowledging Jesus as a Victim of Sexual Abuse*, (SCM Press 2021), 210-29.

Jen Smith, 'A pedagogy of resistance and Scouse other-ness', *Practical Theology* 14 (2021), 351-363.

Dr Rachel Starr, "'Not pictured": What Veronica Mars Can Teach Us about the Crucifixion' in Jayme Reaves, David Tombs and Rocio Figueroa (eds.) *When Did We See You Naked? Acknowledging Jesus as a Victim of Sexual Abuse*, (SCM Press 2021), 165-177.

Revd Dr Carlton Turner, *Overcoming Self-Negation: Junkanoo and the Church in Contemporary Bahamian Society* (Wipf and Stock, 2020); "Deepening the Postcolonial Theological Gaze: Frantz Fanon and the Psychopathology of Colonial Christianity," *Modern Believing*, 62 (2021), 340-348; "Legacies and Chains: Structuring Shame in the African Caribbean," *ANVIL* 37 (2021), 15-20; "Conceal to Reveal: Reflections on Sexual Violence and Theological Discourses in the African Caribbean." in Jayme Reaves, David Tombs and Rocio Figueroa (eds.) *When Did We See You Naked? Acknowledging Jesus as a Victim of Sexual Abuse*, (SCM Press 2021), 149-164; "Could You Be Loved? BAME Presence and the Witness of Diversity and Inclusion" in *Bearing Witness in Hope: Christian Engagement in Challenging Times*, eds, Cathy Ross and



Humphrey Southern (SCM Press 2020), 89-105; "Legacies and Chains: Learning and Living in the Shadows of Empire", USPG Archives: Global Voices, <http://emlo-portal.bodleian.ox.ac.uk/exhibition/uspg/global-voices>.

Academic Staffing changes

Deacon Eunice Attwood left Queen's to begin a new role as the Connexional Church at the Margins Officer for the Methodist Church on 1st December 2020. Rev Dr Andrea Russell began as Director of Ministry with Oxford Diocese on 1st January 2021. Dr Andrew Hayes moved from a post within the Anglican team at Queen's to becoming the Centre Director for the Centre for Discipleship and Theology (as from Feb 1st 2021). In addition to the arrival of a new Principal, Revd Dr Barbara Glasson began a part-time appointment in Pastoral Theology in the Methodist Team on 1st Sept 2020, Deacon Julie Hudson joined the staff as Methodist Tutor (Diaconal Formation) and Safeguarding & Wellbeing Officer in December 2020, Revd Dr Allison Fenton joined the Anglican Team as Admissions Officer and Jen Smith joined the staff as E-Learning Development Tutor, both in January 2021.

Administrative staff changes

Katherine Onion, Director of Operations and Academic Registrar, left Queen's in October 2020, to take up a role with Juno Women's Aid as head of Finance and Business Support, and Rosie Evans completed a year as a data officer in December 2020. David Baines joined the staff in November 2020 as Database manager, and then a range of staff began in January 2021: Davinder Webster as Director of Operations, Ian Bush as (part-time) Director of Finance, Gill Masters to a dual role in the Registry and as Administrator for the Centre for Discipleship and Theology and Kayle Patton as Receptionist. Kate Knight came onto the staff as an Administrator in the Centre for Ministerial Formation in August 2021.

Governing Documents

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

Appointment of Governors

The governance of the Foundation is the responsibility of the Governors, 4 of whom are nominated and 10 of whom are co-opted. The 4 nominated Governors are nominated respectively by the General Synod of the Church of England, the Council of the Methodist Church (2 members), and the Church of England West Midlands Bishops. Existing Governors serve terms of appointment of 3 years. New appointments and reappointments are made for a term of 3 years. In July 2020 the Governing body resolved to increase its membership from 14 to 16, increasing the number of COOPTED governors from 10 to 12 to allow the governing body to reflect the widening constituency of its students. Governors will seek to recruit to these positions during 2020-21. The remaining Governors are co-opted according to appropriate skills and experience. Lists of suitable nominees are drawn up by the Governors, or a special sub committee appointed by the Governors and approached by the President of Governors to establish their willingness to serve. All appointments are subject to a vote of approval by the Governors for the time being. The Governors serve as directors of the limited company.

Trustee Training

The Foundation arranges periodic training events for Governors.

Organisation

The Governors annually appoint one of their number to act as President of Governors. The Governors have appointed an Audit Committee (formerly the Finance and General Purposes Committee) which in addition to

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

Key Management personnel

The day-to-day operations of the Foundation are controlled and monitored by the Leadership Team which is comprised of the Principal, the Academic Dean, the Directors of each of the five Formation and Teaching Centres, the Director of Operations and the Director of Finance. They meet very regularly to discuss current matters affecting all aspects of the Foundation.

Remuneration of academic staff

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

Risk Management

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

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

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

Additional risks caused by the global pandemic were added to this list in 2020 and continue to be monitored closely. The Director of Operations keeps watch on government advice and has been attending weekly online briefings.

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

This action includes

- a review of systems annually by the auditors and the Audit Committee of the Governors, cheque signatories scrutinising back-up paperwork and segregation of duties wherever possible.
- Regular appraisal and monitoring of recruitment by the Principal, who regularly reports to the Governors, combined with frequent admin staff meetings to identify personnel issues and maintaining satisfactory recruitment levels to ensure staff are fully engaged.
- Development of the website to ensure potential students are fully able to grasp benefits of study at the Foundation combined with active participation by key staff with Methodist Connexional Committees and reviews and processes.
- President and Principal and other governors regularly review Governor constitution and actively seek to identify potential new members of the board both locally and nationwide on an ongoing basis.

- Members of the administration team are provided with suitable staff development to ensure that they are fully aware with compliance procedures and staffing levels within the registry team are regularly reviewed to ensure that the increasing complex reporting requirements are handled well. Software systems are also regularly assessed to maintain adequate reporting and data handling processes.

Objectives and activities

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

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

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

Statement of Internal Control

The Foundation manages risk through preparing internally a risk register which is regularly monitored and presented for review at the thrice-yearly Audit Committee. The primary objectives of the Foundation are kept in view throughout. Financial components are contained within the register. Significant staff change (of Principal) and the departure of the Academic Registrar and Director of Operations (one person) has not led to disruption in financial oversight due to continuity in the management accountant staffing and in the auditing processes, plus the arrival of a part-time Director of Finance within the Foundation team.

Relationships with the Churches

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

Financial Review

The financial statements that follow have been prepared in accordance with the accounting policies set out on page 15 to 17 and comply with the Foundation's governing documents and applicable law. Normal activities resulted in a deficit of £105,908 before changes in investment values.

Investment values rose due to reasonable investment performance and the year-end valuation produced an unrealised profit on investments £415,147 (2020: £56,566) this was split between unrestricted funds £393,709 and restricted funds, £21,438 There were no sales of investments during the year.

Reserves Policy

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

The free reserves in total amount to £3,072,698 (2020: £2,782,528). Included in this free reserves total are Designated funds amounting to £1,757,395 (including a 6 month operating expense reserve), leaving undesignated free reserves of £1,315,303.

It had been the objective of the Governors to keep free reserves at a sum equal to 12 months unrestricted operating costs of the institution. This policy was reviewed by Governors in July 2020 and a proposal to amend this was agreed upon. A lower figure, more in keeping with the recommendations of the Charities Commission, and amounting to about half of the figure needed for a full year of expenditure enables a 3-year plan for preventative maintenance of required campus investment to be undertaken, potentially releases funds for the development of a bursary fund (to match newly found funds) and keeps a disaster fund for emergencies. The reserves will be cautiously and purposefully reduced in line with these strategic aims.

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

Plans for Future Periods

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

Governors' Responsibilities

The Governors, who are also the directors of The Queens Foundation for Ecumenical Theological Education for the purpose of company law, are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

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

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

Provision of information to auditors

Insofar as the Governors are aware:

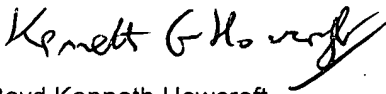
- there is no relevant audit information of which the company's auditors are unaware; and

- as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information.

Auditors

JW Hinks LLP were appointed auditors during the year and they will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

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



Revd Kenneth Howcroft
President of Governors
18.11.21

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

Opinion

We have audited the financial statements of The Queen's Foundation for Ecumenical Theological Education (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Higher Education and Research Act (HERA 2017) and the requirements of OfS.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
- funds from providers for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- the requirements of the OfS's accounts direction have been met.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the governors with respect to going concern are described in the relevant sections of this report.

Other information

The governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Governors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors.

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

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

Responsibilities of governors

As explained more fully in the Statement of Governors' Responsibilities, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and discussed the policies and procedures regarding compliance.

Specific areas considered were as follows:

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

- Testing documentation supporting account balances or classes of transactions.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected all irregularities including those leading to material misstatements in the financial statements or non-compliance with regulation, even though we have properly planned and performed our audit in accordance with auditing standards.

This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Smith ACA (Senior Statutory Auditor)
for and on behalf of J W Hinks LLP
Chartered Accountants
and Statutory Auditors
19 Highfield Road
Edgbaston
Birmingham
B15 3BH

Date: 18/11/2021

**STATEMENT OF FINANCIAL ACTIVITIES (inc INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st AUGUST 2021**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2021 Total £	2020 Total £
INCOME						
Tuition Fees & Accommodation Charges	12	1,674,636	132,575	-	1,807,211	2,131,833
Investment Income	3	79,440	3,666	-	83,106	82,389
Grants and Donations	4	82,433	40,519	-	122,952	48,273
Other Income	13	2,681	31,666	-	34,347	86,076
TOTAL INCOME		1,839,190	208,426	-	2,047,616	2,348,571
EXPENDITURE						
Charitable activities Costs of Providing Education	14	1,885,328	175,930	92,266	2,153,524	2,290,175
TOTAL EXPENDITURE		1,885,328	175,930	92,266	2,153,524	2,290,175
NET INCOME/(EXPENDITURE) before gains/losses		(46,138)	32,496	(92,266)	(105,908)	58,396
Unrealised gains on investments	5	393,709	21,438	-	415,147	56,566
Realised gains on investments	5	-	-	-	-	-
NET INCOME/(EXPENDITURE) being net movement in funds		347,571	53,934	(92,266)	309,239	114,962
TRANSFERS BETWEEN FUNDS	8	22,487	(22,487)	-	-	-
Reconciliation of funds: Funds brought forward at 1st September 2020		4,004,826	797,258	424,269	5,226,353	5,111,391
Funds carried forward at 31st August 2021	8,9,10	4,374,884	828,705	332,003	5,535,592	5,226,353

All income and expenditure derive from continuing activities.

BALANCE SHEET AS AT 31st AUGUST 2021
COMPANY NUMBER 05511503

	Note	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible Assets	2	2,107,773		2,231,191	
Investments	5	2,978,731		2,551,100	
			5,086,504		4,782,291
CURRENT ASSETS					
Debtors	6	399,122		318,124	
Short term Deposits		5,757		5,757	
Bank and Cash in hand		175,312		311,049	
		580,191		634,930	
CREDITORS					
Amounts falling due within 1 year	7	(131,103)		(190,868)	
NET CURRENT ASSETS			449,088		444,062
TOTAL ASSETS LESS CURRENT LIABILITIES			5,535,592		5,226,353
NET ASSETS			<u>5,535,592</u>		<u>5,226,353</u>
CHARITY FUNDS					
Endowment			332,003		424,269
Restricted	8		828,705		797,258
Unrestricted (inc Designated Funds)	10		4,374,884		4,004,826
TOTAL CHARITY FUNDS			<u>5,535,592</u>		<u>5,226,353</u>

The notes on pages 14 to 31 form part of these financial statements.

These financial statements were approved by the Board of Governors on 18/11/2021 and are signed on their behalf by:

Kenneth Howcroft

Revd Kenneth Howcroft - President of Governors

The Queen's Foundation For Ecumenical Theological Education

Statement of cashflows for year to 31 August 2021

	Note	2021 £	2020 £
Net Cashflow from operating activities	20	<u>(48,978)</u>	<u>(46,238)</u>
Property funds			
Payments to acquire fixed assets		(157,381)	(25,209)
Payments to acquire investments		(12,484)	(11,702)
Receipts from sales of investments		-	-
Interest received		83,106	82,389
Net cash flow from investing activities		<u>(86,759)</u>	<u>45,478</u>
Net increase/(decrease) in cash and cash equivalents		(135,737)	(760)
Cash and cash equivalents brought forward:		316,806	317,566
Cash and cash equivalents at year end:		<u>181,069</u>	<u>316,806</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		175,312	311,049
Short term deposits		5,757	5,757
Cash and cash equivalents:		<u>181,069</u>	<u>316,806</u>

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST
2021

I ACCOUNTING POLICIES

a General information and basis of preparation

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

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

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

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

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

b Funds

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

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

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

c Income recognition

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

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

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

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

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

d Resources expended

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

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

e Tangible fixed assets

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

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

Land & Buildings - Leasehold	Nominal £10,000 for expiration of lease 4% on cost of major extensions and building works 10% on cost of refurbishments
Heating & plant	20% of cost
Motor vehicles	25% on cost written down to a minimum of £1
Audio visual equipment	33% on written down value or subsequent cost
Mowers & garden equipment	20% - 33% on cost
Computers	33% on cost
All other furniture & equipment	20% - 33% on written down value

f Investments

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

g Stocks

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

h Debtors and creditors receivable / payable within one year

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

i Leases

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

j Employee benefits

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

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

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

k Tax

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

l Going concern

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

2 TANGIBLE FIXED ASSETS

Cost	Long Leasehold			Total £
	Land & Buildings £	Furniture & Equipment £	Heating & Plant £	
Balance at 1st September 2020	4,709,915	557,062	180,646	5,447,623
Additions	31,217	43,144	83,020	157,381
Disposals	-	(612)	-	(612)
Total cost at 31 August 2021	4,741,132	599,594	263,666	5,604,392
Accumulated depreciation				
Balance at 1st September 2020	2,610,047	462,231	144,154	3,216,432
Charge for the year	185,021	78,665	17,111	280,798
Disposals	-	(612)	-	(612)
Total depreciation at 31 August 2021	2,795,068	540,284	161,265	3,496,618
Net book value				
At 31st August 2021	1,946,064	59,309	102,401	2,107,773
At 31st August 2020	2,099,868	94,831	36,492	2,231,191

3 INVESTMENT INCOME

	2021 £	2020 £
Interest - Investment funds	54,246	52,090
Interest - Property funds	15,576	18,421
Interest - Fixed Interest Securities	753	37
Interest on cash deposits	48	139
Interest reinvested	12,484	11,702
	83,106	82,389

Of the above, £79,403 was unrestricted (2020: £78,846) and £3,666 was restricted (2020: £3,540).

4 GRANTS AND DONATIONS

	2021 £	2020 £
HMRC Job Retention Scheme ®	13,259	19,657
Archbishop Council	76,000	-
Methodist Diaconal Order ®	10,000	-
Queen's Methodist Chaplaincy Donation ®	8,000	8,000
St Augustine's ®	9,260	-
St John's College	3,144	-
Methodist Church	-	5,000
B Stanley	-	4,500
Grimmit Trust	-	3,000
P Emberton	-	3,000
St Boniface Trust (Mission)	-	2,624
S Millard	-	1,064
United Friends of Queens	759	687
Other donations £1,000 or less	2,530	741
	<u>122,952</u>	<u>48,273</u>

Of the above, £82,433 was unrestricted (2020: £13,116) and £40,519, was restricted (2020: £35,157).

5 FIXED ASSET INVESTMENTS

	2021 £	2020 £
Market value brought forward	2,551,100	2,482,832
Dividends received and reinvested	12,484	11,702
Purchase of Investments	-	-
Sale of Investments	-	-
Profit on sale/redemption of investments	-	-
Net unrealised profit on revaluation	415,147	56,566
Closing market value	<u>2,978,731</u>	<u>2,551,100</u>
Historical cost at 31st August:	<u>1,002,444</u>	<u>989,960</u>

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

	2021 £	2020 £
Investments at market value comprise:		
Investment fund income shares	2,611,199	2,207,316
Property funds	341,387	316,936
Fixed interest securities fund income shares	26,145	26,848
	<u>2,978,731</u>	<u>2,551,100</u>

6 DEBTORS

	2021 £	2020 £
Debtors	305,467	242,845
Other Debtors	93,655	75,279
	<u>399,122</u>	<u>318,124</u>

7 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade Creditors	61,938	55,609
Other Creditors	10,207	10,628
Tax & Social Security	18,069	20,407
Accruals & deferred income	40,888	104,224
	<u>131,103</u>	<u>190,868</u>

Included within other creditors is £6,953 (2020: £8,775) held on behalf of third parties. These funds are included within investments and bank.

8 RESTRICTED FUNDS

	Movement in Funds				Balance 31/08/21 £
	Balance 01/09/20 £	Incoming Resources £	(Expenditure) & Gains £	Transfers In / (Out)	
Consolidated Fund	140,221	3,666	21,438	(22,487)	142,838
Methodist Building Grants:					
Library Extension	240,451	-	(22,118)	-	218,333
New Building Refurbishment	88,400	-	(6,800)	-	81,600
Heating overhaul	198,457	-	(24,807)	-	173,650
Mission Centre Fund	57,530	-	-	-	57,530
Principals Discretionary Fund	4,594	6	(300)	-	4,300
OFS	-	31,660	(31,660)	-	-
MEET	27,368	-	(250)	-	27,118
P'ship in Theological Education	40,237	132,575	(58,737)	-	114,075
HMRC JRS	-	13,259	(13,259)	-	-
Methodist Chaplaincy	-	8,000	(8,000)	-	-
St Augustines	-	9,260	-	-	9,260
Methodist Diaconal Order	-	10,000	(10,000)	-	-
	<u>797,258</u>	<u>208,426</u>	<u>(154,493)</u>	<u>(22,487)</u>	<u>828,705</u>

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

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

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

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

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

COMPARATIVES FOR RESTRICTED FUNDS

	Movement in Funds			Balance 31/08/20 £
	Balance 01/09/19 £	Incoming Resources £	(Expenditure) & Gains £	
Consolidated Fund	132,303	3,521	4,397	140,221
Methodist Building Grants:				
Library Extension	262,569	-	(22,118)	240,451
New Building Refurbishment	95,200	-	(6,800)	88,400
Heating overhaul	223,264	-	(24,807)	198,457
Mission Centre Fund	57,530	-	-	57,530
Principal's Discretionary Fund	4,975	19	(400)	4,594
OFS	-	32,788	(32,788)	-
MEET	-	27,368	-	27,368
Partnership in Theological Education	-	100,000	(59,763)	40,237
HMRC JRS	-	19,657	(19,657)	-
Queen's Methodist Chaplaincy Donation	-	8,000	(8,000)	-
Hardship fund	-	4,500	(4,500)	-
Grimmit	-	3,000	(3,000)	-
	<u>775,841</u>	<u>198,853</u>	<u>(177,436)</u>	<u>797,258</u>

9 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	1,302,187	473,583	332,003	2,107,773
Investments	2,835,893	142,838	-	2,978,731
Current Assets	367,908	212,283	-	580,191
Creditors - Within one year	(131,103)	-	-	(131,103)
	<u>4,374,885</u>	<u>828,705</u>	<u>332,003</u>	<u>5,535,592</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	526,368
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COMPARATIVE FOR ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	1,222,298	584,624	424,269	2,231,191
Investments	2,410,879	140,221	-	2,551,100
Current Assets	562,518	72,413	-	634,931
Creditors - Within one year	(190,869)	-	-	(190,869)
- After one year	-	-	-	-
	4,004,826	797,258	424,269	5,226,353

10 UNRESTRICTED FUNDS

Designated Funds

	Balance 01/09/20 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Transfers £	Balance 31/08/21 £
'AD 2062 Stephen Lloyd Fund	658,413	12,484	-	-	-	670,897
Research Fund	86,498	-	-	-	-	86,498
Operating expense reserve	-	-	-	-	1,000,000	1,000,000
Church Workers' Pension Fund Liability	195,531	-	-	-	(195,531)	-
	940,442	12,484	-	-	804,469	1,757,395

The AD2062 Stephen Lloyd Fund is set up to provide resources for the renewal of the lease in 2062. This will be reviewed in 2021/22 following the Governors review of reserves policy in 2020/21.

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

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

The Church Workers' Pension Fund liability was to provide cover for any future liability within this scheme following an actuarial valuation in 2010. This has been released following recent valuations.

Unrestricted Funds

	Balance 01/09/20 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Transfers £	Balance 31/08/21 £
Designated funds	940,442	12,484	-	-	804,469	1,757,395
Unrestricted funds	3,064,384	1,826,706	(1,885,328)	393,709	(781,982)	2,617,489
	4,004,826	1,839,190	(1,885,328)	393,709	22,487	4,374,884

Comparatives for Designated Funds

	Balance 01/09/19 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Transfers £	Balance 31/08/20 £
AD 2062 Stephen Lloyd Fund	646,711	11,702	-	-	-	658,413
Research Fund	101,454	-	(14,956)	-	-	86,498
Church Workers' Pension Fund Liability	195,531	-	-	-	-	195,531
	<u>943,696</u>	<u>11,702</u>	<u>(14,956)</u>	<u>-</u>	<u>-</u>	<u>940,442</u>

Comparatives for Unrestricted Funds

	Balance 01/09/19 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Transfers £	Balance 31/08/20 £
Designated funds	943,696	11,702	(14,956)	-	-	940,442
Unrestricted funds	2,875,250	2,138,016	(2,001,051)	52,169	-	3,064,384
	<u>3,818,946</u>	<u>2,149,718</u>	<u>(2,016,007)</u>	<u>52,169</u>	<u>-</u>	<u>4,004,826</u>

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

RESTRICTED FUNDS

	Balance 01/09/19 £	Movement in Funds Incoming Resources £	(Expenditure) & Gains £	Transfers In / (Out) £	Balance 31/08/21 £
Consolidated Fund	132,303	7,187	25,835	(22,487)	142,838
Methodist Building Grants:					
Library Extension	262,569	-	(44,236)	-	218,333
New Building Refurb Heating overhaul	95,200	-	(13,600)	-	81,600
	223,264	-	(49,614)	-	173,650
Mission Centre Fund	57,530	-	-	-	57,530
Principal's Discretionary Fund	4,975	25	(700)	-	4,300
OFS	-	64,448	(64,448)	-	-
MEET	-	27,368	(250)	-	27,118
P'ship in Theological Education	-	232,575	(118,500)	-	114,075
HMRC JRS	-	32,916	(32,916)	-	-
Methodist Chaplaincy Donation	-	16,000	(16,000)	-	-
St Augustines	-	9,260	-	-	9,260
Methodist Diaconal Order	-	10,000	(10,000)	-	-
Hardship fund	-	4,500	(4,500)	-	-
Grimmit	-	3,000	(3,000)	-	-
	<u>775,841</u>	<u>407,279</u>	<u>(331,929)</u>	<u>(22,487)</u>	<u>828,705</u>

UNRESTRICTED FUNDS

Designated Funds

	Balance 01/09/19	Incoming Resources	Resources Expended	Gains, (Losses) & Allocations	Transfers	Balance 31/08/21
	£	£	£	£	£	£
AD 2062 Stephen Lloyd Fund	646,711	24,186	-	-	-	670,897
Six months operating exp	-	-	-	-	1,000,000	1,000,000
Research Fund	101,454	-	(14,956)	-	-	86,498
Church Workers' Pension	195,531	-	-	-	(195,531)	-
Fund Liability	-	-	-	-	-	-
	<u>943,696</u>	<u>24,186</u>	<u>(14,956)</u>	<u>-</u>	<u>804,469</u>	<u>1,757,395</u>

Unrestricted Funds

	Balance 01/09/19	Incoming Resources	Resources Expended	Gains; (Losses) & Allocations	Transfers	Balance 31/08/21
	£	£	£	£	£	£
Designated funds	943,696	24,186	(14,956)	-	804,469	1,757,395
Unrestricted Funds	2,875,250	3,964,723	(3,886,379)	445,878	(781,982)	2,617,490
	<u>3,818,946</u>	<u>3,988,909</u>	<u>(3,901,335)</u>	<u>445,878</u>	<u>22,487</u>	<u>4,374,885</u>

12 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2021 £	2020 £
Student Fees		
Centre for Ministerial Formation	1,043,148	1,080,029
Centre for Black Theology	57,997	44,375
Centre for Discipleship Theology	110,165	41,754
Centre for Continuing Ministerial Education	52,413	74,844
Centre for Mission Studies	-	-
Non Residential tuition	-	-
Research	35,033	42,139
	<u>1,298,756</u>	<u>1,283,141</u>
Accommodation Charges		
Accommodation	482,950	785,170
External Rents in	24,703	17,563
Conferences, guests etc.	801	45,959
	<u>508,455</u>	<u>848,692</u>
Total Fees & Accommodation Charges	<u>1,807,211</u>	<u>2,131,833</u>

13 OTHER INCOME

	2021 £	2020 £
OFS Income	31,660	28,605
Global Methodist Relationships (MEET)	-	27,368
Church of England Tier 4 Contribution	-	7,000
Church of England Disabled Student Reimbursement	-	19,917
Sundry Income		
Teaching & Learning	350	1,388
Campus Sundry Income	2,337	1,798
	34,347	86,076

14 ANALYSIS OF CHARITABLE EXPENDITURE

	2021 £	2020 £
Academic & Library Costs	1,046,339	1,147,782
Disabled Student Expenditure (Reimbursed)	13,691	20,117
Administrative Costs (excluding Governance)	410,099	350,043
Catering Costs	100,091	165,120
Domestic Costs	43,969	58,685
Premises Costs	517,677	524,796
Governance Costs	21,657	23,632
	2,153,524	2,290,175

15 GOVERNANCE COSTS

	2021 £	2020 £
Salaries - operational staff	15,217	14,952
Audit fee	6,440	5,760
Auditors non audit fees	-	2,920
	21,657	23,632

16 STAFF EMOLUMENTS

	2021 £	2020 £
Salary Costs	933,597	1,043,454
National Insurance	70,902	80,261
Pension Costs	109,292	130,266
	1,113,792	1,253,981

No employee received emoluments, as defined for tax purposes of over £60,000 in either year.

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

	2021 FTE	2021 Number	2020 FTE	2020 Number
Academic and Library	17.7	24.8	15.3	18.8
Administrative and Others	8.7	12.8	13.9	17.9
	<u>26.4</u>	<u>37.6</u>	<u>29.2</u>	<u>36.7</u>

The total amount of employee benefits received by key management personnel is £178,912 (2020: £211,420).

	2021	2020
Number of staff receiving basic salary per annum between £100,000 - £104,999	-	-

PRINCIPAL'S SALARY

The Principal changed between reporting years. The previous Principal (David Hewlett) retired on 31 August 2020 and so prior year (2020) figures are 100% for David Hewlett. The new Principal, Clive Marsh, commenced on 1 Sep 2020 and so current year figures (2021) are 100% for Clive Marsh.

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

	2021 £	2020 £
Principal Basic Salary		
Per annum (to April 2021)	32,196	31,560
Per annum (from May 2021)	32,196	32,196

Book Allowance

An allowance up to £768 (2020: £768) is claimable upon proof of receipt as an expense.

Responsibility Point (based on the number of staff in addition to the Principal)

Per annum (to April 2021)	3,167	3,105
Per annum (from May 2021)	3,167	3,167

Accommodation

The principal received free rent and council tax or housing allowance paid at the same rate

Per annum (to April 2021)	9,427	9,242
Per annum (from May 2021)	9,427	9,427

Meals

Free meals (lunch or equivalent if working evenings or weekends) of £5 per main meal are offered to all staff during term time. This equates to approximately £1,050 (based on 42 weeks a year) per annum (2020: £1,050).

Whilst the kitchen was closed March to August staff were given no rebates relating to this privilege, it being mitigated by reduced travel costs for those working from home.

Dividends

No dividend was paid to the Principal during the year ended 31st August 2021 (2020: £nil).

16 STAFF EMOLUMENTS continued

PRINCIPAL'S SALARY continued...

Performance Related Pay

No performance related pay was paid to the Principal during the year ended 31st August 2021 (2020: £nil).

Pension Contributions

Pension contributions of £4,468 were paid in the year ended 31st August 2020 (2020: £nil).

Salary Sacrifice Arrangements

There were no salary sacrifices for the year ended 31st August 2021 (2020: £nil).

Compensation for loss of Office

No compensation for loss of office was paid for the year ended 31st August 2021 (2020: £nil).

Resettlement Grant

£2,527 is available to all faculty when moving into post however there were no relocations during the year ended 31 August 2021 (2020: £nil).

Sabbatical Allowance

A three month full pay sabbatical allowance is available for all faculty for every five years' of service. There was no loss of pay for sabbatical during the year ended 31st August 2021 (2020: £nil).

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

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

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

The total amount paid across the provider for 2020-21 for loss of office is £nil. The number of people for whom this is applied is: nil.

Statement of Internal Control

This provider received confirmation of registration with OfS in January 2019. It did not receive and has never historically received any state funding from OfS or previously HEFCE. In 2019-20 the provider received this funding for the first time.

The Foundation manages risk through preparing internally a risk register which is regularly monitored and presented for review at the thrice-yearly Audit Committee. The primary objectives of the Foundation are kept in view throughout. Financial components are contained within the register. For 2019-20 an Emergency Planning Document was prepared to assess and enable the off-set of the impact of Covid-19 upon the institution during 2019-20 and 2020-21. Significant staff change (of Principal) and the departure of the Academic Registrar and Director of Operations (one person) has not led to disruption in financial oversight due to continuity in the management accountant staffing and in the auditing processes, plus the imminent arrival of an interim part-time Director of Finance within the Foundation team.

17 AUDITORS REMUNERATION

	2021 £	2020 £
The auditors remuneration is comprised of: -		
Audit Fees	6,440	5,760
Other Services	-	2,920
	<u>6,440</u>	<u>8,680</u>

18 TRUSTEES REMUNERATION

Trustees received £nil for the reimbursement of travelling expenses during the year (2020: £nil)

No trustee received any remuneration during the year (2020: £nil).

19 FINANCIAL COMMITMENTS

Operating lease commitments

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

	2021 £	2020 £
Not later than one year	12,844	12,844
Later than one and not later than five years	4,212	17,056
Later than five years	-	-

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

	2021 £	2020 £
Net income/(expenditure) for the year	309,239	114,962
Interest receivable	(83,106)	(82,389)
Depreciation and impairment of tangible fixed assets	280,798	264,719
(Gains) on investments	(415,147)	(56,566)
(Increase) / decrease in debtors	(80,998)	(157,175)
Increase / (decrease) in creditors	(59,765)	(129,790)
Net cash flow from operating activities	<u>(48,978)</u>	<u>(46,238)</u>

21 PENSION COSTS

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

During the year the Foundation's contributions were:

	2021 £	2020 £
CEFPS	29,472	38,784
CWPF	21,019	12,657
MMPF	-	21,671
FL	57,650	47,948
	<u>108,141</u>	<u>121,060</u>

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

CEFPS

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

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

CWPF

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

The Church Workers Pension Fund has a section known as the Defined Benefits Scheme, a deferred annuity section known as Pension Builder Classic and a cash balance section known as Pension Builder 2014.

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

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

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

It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer scheme as

described in Section 28 of FRS 102 and as such contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year, plus any impact of deficit contributions.

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

A valuation of the DBS is carried out once every three years, the most recent having been carried out as at 31 December 2019. In this valuation, the Foundations share of the underlying assets and liabilities was shown to be a deficit of £1,200.

Following the valuation, the Employer entered into an agreement with the Church Workers Pension Fund to pay expenses of £4,500 per year (£5,000 from 1 April 2021).

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

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

There is no sub-division of assets between employers in each section of the Pension Builder Scheme.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and that contributions are accounted for as if the Scheme were a defined contribution scheme.

A valuation of the PB Classic scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a deficit of £4.8m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 is valued in relation to the lump sum payable to members at normal pension age. There are no annual pension benefits. Pension Builder 2014 commenced in February 2014. The most recent scheme valuation completed was carried out as at 31 December 2019. This revealed, on the ongoing assumptions used, a surplus of £5.5m.

MMPF

Queen's staff who were members of the MMPF scheme were transferred out of Queen's payroll in the year ending 31 Aug 2020 and so no payments are made into the MMPF this year or are expected in future years.

22 COMPANY LIMITED BY GUARANTEE

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

As at 31st August 2021 there were 9 members of the charitable company (2020: 9)

23 RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended 31 August 2021.

24 POST BALANCE SHEET EVENTS

Covid-19 pandemic

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the Charity being able to continue to operate and come to terms with the significant impact of the Covid-19 pandemic, which whilst significantly improved, is nevertheless still ongoing.

At the present time there are many unknown variables which makes forecasting the future results and impact on the Charity challenging. The trustees recognise that the current situation is uncertain but they have considered the position of the Charity both at present and for the next 12 months given the current information available.

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

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

The objective of the Charity is to continue trading whilst monitoring and adapting to the long term impact of the Covid-19 pandemic.