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**THE QUEEN'S FOUNDATION
FOR ECUMENICAL THEOLOGICAL EDUCATION**

**ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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

Company Registration No 05511503

Charity Registration No 1111892



ANNUAL REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

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GOVERNORS 2018-19

C	Revd Kenneth Howcroft	
C	Mr John Bell	
C	The Ven Simon Heathfield	(nominee of the West Midlands Bishops)
C	Mrs Marilyn Hull	(resigned 18 October 2018)
C	Mrs Julia Tozer	(resigned 20 December 2018)
C	Dr Paul Stewart	
C	Mrs Mavis Jones	(appointed 17 November 2017)
N	Dr Rachel Jepson	(Nominee of the General Synod)
N	The Revd Dr Stephen Wigley MA, MPhil, PhD	(resigned 18 October 2018)
N	The Revd Dr Liz Smith	(resigned 30 April 2019)
C	Reverend Lucy Winkett	
C	Professor Helen Dent	(appointed 18 October 2018)
C	Reverend Claire Maxim	(appointed 18 October 2018)

Key:

C	Co-opted Governors
N	Nominated Governors

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



FOUNDATION STAFF 2018-19

Principal

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

Academic Director

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

Co-Director of The Centre for Ministerial Formation

The Revd Dr Jane Craske BA, PhD University of Durham
(*Methodist*)

Co-Director of The Centre for Ministerial Formation

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

Lecturers

Deacon Eunice Attwood Mth, Chester College
(*Methodist*)

Revd Jess Foster BA (Hons) PGCE, MA Newman University
(*Anglican*)

Revd Gary Hall MA MPhil PGCE Pembroke College Cambridge, Birmingham University
(*Methodist*)

Dr Dulcie McKenzie, BA, PhD, Birmingham University
(*Pentecostal*)

Dr Fran Porter BA, PhD University of Ulster
(*Anglican*)

Revd Dr Carlton Turner BA, MA, University of Birmingham, PhD University of Gloucestershire
(*Anglican*)

Revd Dr Judith Rossall BA (Hons) ThM Duke University PhD Durham University
(*Methodist*)

Deacon Kerry Scarlett, MA, Newman University
(*Methodist*)

Professor Nicola Slee MA, PhD; Selwyn College Cambridge, University of Birmingham
(*Anglican*)

Ms Helen Stanton
(*Catholic & Anglican*)

Revd Jeanette Hartwell PhD, Birmingham University
(*Anglican*)

Dr Rachel Starr BA (Hons), STM; University of Oxford, Union Theological Seminary City of New York, ThD, Instituto Universitario ISEDET, Buenos Aires
(*Methodist*)

Dr Andrew Hayes MA, MSc, PhD University of Edinburgh
(*Presbyterian*)

Revd Dr Paul Nzacahayo MBA, MTh, PhD University of Edinburgh
(*Methodist*)

Revd Dr Jonathan Dean MA, PhD Cambridge University
(*Methodist*)

Director of Finance

Paul D Bayliss MA ACA (resigned 27 June 2019)



GOVERNORS' REPORT

The members of the board of Governors present their report together with the financial statements of The Queens Foundation for Ecumenical Theological Education for the year ended 31 August 2019. 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 13 to 15 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 Governor's Introduction

This has been a positive and successful year with planned campus developments coming to fruition and new undertakings successfully achieved. These include: a new car park on campus and a complete renewal of heating and hot water to the residential accommodation for families on site; and improving accessible accommodation and installing a stair lift to the first floor of the Old Building. A significant strategic development was the launch of the Centre for Black Theology in December 2018 and the inauguration of new post graduate programmes. Recruitment for and interest in this Centre has exceeded expectations. We have also been awarded a grant by the Methodist Church to develop a project called "Partnership in Theological Education" which is designed to support faculty development in seminaries or theological colleges in the global south. Areas of academic quality and management include:

1. We have successfully registered with the Office for Students as an Approved Provider (fee cap) meeting all their baseline conditions and complying with all their reporting and data requirements.
2. We have received a positive outcome of the annual monitoring and review process by the QAA. The report describes us making "*commendable* progress" against the action plan generated from the main review.
3. We have successfully renewed our Tier 4 license and Trusted Sponsor status with the Home Office, passing our compliance assessment, and thereby enabling us to continue to sponsor students under the Tier 4 visa provision.
4. We have purchased, developed and begun to implement a new database. This is a major project, necessitated by the increasing level of data returns required by the Office for Students and the Higher Education Statistics Authority (HESA).
5. We have received the Silver TEF Award for Teaching Excellence from the Office for Students. This award recognises that Queen's "delivers high quality teaching, learning and outcomes for its students" and "consistently exceeds rigorous national quality requirements for UK higher education".
6. We have been a partner in a research initiative with the University of Roehampton, exploring how our learning and formation programmes for the Churches' ministers enable them to be people who can help others to learn. The results of this research will contribute to our curriculum development and planning.
7. We held the fourth annual Queen's public lecture given by the Revd Dr Stephen Cherry at St Francis Parish Church, Bourneville, on the theme "Is Forgiveness the Answer? Living well after violence, abuse or betrayal".
8. Academic staff have been active in research and publications. Gary Hall was awarded a PhD by the University of Birmingham for his thesis on Thomas Merton. Staff publications include *According to the Scriptures: The death of Christ in the Old Testament and the New*, by David Allen; *Justin against Marcian: (Delivering the Christian philosophy)*, *Emerging Scholars*, by Andrew Hayes; *Reimagining Theologies of Marriage in Contexts of Domestic Violence: when Salvation is Survival*, by Rachel Starr; *To gain at Harvest: Portraits from the English Reformation* by Jonathan Dean; *Guard the human image for it is the image of God: essays on Thomas Merton* (also published as *Das Menschenbild als Abbild Gottes bewahren: Beiträge zu Thomas Merton*, co-edited by Gary Hall.



Academic Staffing changes

The Revd Dr Jonathan Dean left the faculty in June 2019 to take up a new appointment in the Methodist Church.

Administrative staff changes

Mark McFadzean, the Campus and Facilities Manager moved to another post and Jonathan Bennett has been appointed to a newly named role as "College Business Manager". Gail Harris, a part-time administrator, moved to a new employer and has been replaced by Katie Cooper who is full time with a new focus on academic administration and working across different centres. Donna Pryor, a part-time administrator who focused on global Christianity and independent student support, moved to a new employer in the Spring.

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 ten 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.

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 in general meeting 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 Formation and Teaching centres, the well being officer, and the Director of Operations/Registrar. They meet very regularly to discuss current matters affecting all aspects of the Foundation.

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 for the Leadership to either the church schemes to whom ordained ministers belong or to the Foundation defined benefit scheme at normal percentage rates.



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

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 website to ensure potential students are fully able to grasp benefits of study at the Foundation combined with active participation by key staff with Methodist Connexional Committees and reviews and processes.
- President and Principal and other governors regularly review Governor constitution and actively seek to identify potential new members of the board both locally and nationwide on an ongoing basis.
- Members of the administration team are provided with suitable staff development to ensure that they are fully aware with compliance procedures and staffing levels within the registry team are regularly reviewed to ensure that the increasing complex reporting requirements are handled well. Software systems are also regularly assessed to maintain adequate reporting and data handling processes.

Objectives and activities

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

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

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

Relationships with the Churches

The fees of candidates for the 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 relationships with many Pentecostal churches.



Financial Review

The financial statements that follow have been prepared in accordance with the accounting policies set out on page 13 to 15 and comply with the Foundation's governing documents and applicable law.

Normal activities resulted in a surplus of £125,609 (2018, deficiency of £36,910) before changes in investment values.

Investment values rose due to reasonable investment performance and the year-end valuation produced an unrealised profit on investments of £141,494 (2018, £145,284) this was split between unrestricted funds, £133,534 (2018, £137,406) and restricted funds, £7,960 (2018, £7,878). There were no sales of investments during the year.

The results of the actuarial valuation of the Church Worker's Pension Fund as at 31st December 2018 showed that our funding target of £1,239m was lower than its assets which were valued at £1,218m. As a result of the valuation there are additional minor contributions due of £3,953 per annum for 7 years which commenced on 1 April 2018.

Reserves Policy

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

The free reserves in total amount to £2,449,472 (2018, £2,252,289) which represent 11 months unrestricted operating expenditure. It has been the objective of the Governors to build these reserves up to a sum equal to 12 months unrestricted operating costs of the institution.

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 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

Date 20/11/2019



Independent Auditors' Report to the Members of The Queen's Foundation for Ecumenical Theological Education

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 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the statement of cash flows and the related 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, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice) and the Higher Education and Research Act (HERA 2017).

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 2019, and of its incoming resources and application of resources, including its income and expenditure and the application of restricted funds, 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;
- have met the requirements of the Office for Students (OfS) accounts direction.

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 Auditor's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Governors, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and



- the governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our 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 governors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;

Responsibilities of trustees

As explained more fully in the governors' responsibilities statement set out on page 6, 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 trustees 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 trustees 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 an auditor's report 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.

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 auditor's report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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 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
JW Hinks LLP, Statutory Auditor
19 Highfield Road
Edgbaston, Birmingham
B15 3BH

Date: 20 November 2019



**STATEMENT OF FINANCIAL ACTIVITIES (inc INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31st AUGUST 2019**

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2019 Total £	2018 Total £
INCOME						
Tuition Fees & Accommodation Charges	14	2,104,681	-	-	2,104,681	2,176,412
Investment Income	4	76,373	5,188	-	81,561	79,949
Grants and Donations	5	89,835	248,071	-	337,906	77,977
TOTAL INCOME		2,270,889	253,259	-	2,524,148	2,334,338
EXPENDITURE						
Charitable activities						
Costs of Providing Education	15	2,230,662	75,543	92,335	2,398,539	2,371,248
TOTAL EXPENDITURE		2,230,662	75,543	92,335	2,398,539	2,371,248
Unrealised gains on investments	6	133,534	7,960	-	141,494	145,284
Realised gains on investments	6	-	-	-	-	-
NET INCOME/(EXPENDITURE) being net movement in funds		173,762	185,676	(92,335)	267,103	108,374
Reconciliation of funds:						
Funds brought forward at 1st September 2018		3,645,184	590,165	608,939	4,844,288	4,735,914
Funds carried forward at 31st August 2019	10, 11, 12	3,818,946	775,841	516,604	5,111,391	4,844,288

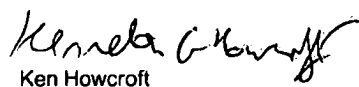
All income and expenditure derive from continuing activities.

BALANCE SHEET AS AT 31st AUGUST 2019
COMPANY NUMBER 05511503

		2019		2018	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	3	2,470,701		2,393,111	
Investments	6	2,482,832		2,330,321	
			4,953,533		4,723,432
CURRENT ASSETS					
Debtors	7	160,949		285,326	
Short term Deposits		5,757		5,757	
Bank and Cash in hand		311,809		288,080	
		478,514		579,163	
CREDITORS					
Amounts falling due within 1 year	8	(315,657)		(453,307)	
NET CURRENT ASSETS			162,858		125,856
TOTAL ASSETS LESS CURRENT LIABILITIES			5,116,391		4,849,288
CREDITORS					
Amounts falling due after more than 1 year	9		(5,000)		(5,000)
NET ASSETS			<u>5,111,391</u>		<u>4,844,288</u>
CHARITY FUNDS					
Endowment			516,604		608,939
Restricted	10		775,841		590,165
Unrestricted (inc Designated Funds)	12		3,818,946		3,645,184
TOTAL CHARITY FUNDS			<u>5,111,391</u>		<u>4,844,288</u>

The notes on pages 13 to 25 form part of these financial statements.

These financial statements were approved by the Board of Governors on 20/11/2019 and are signed on their behalf by:


Ken Howcroft

The Queen's Foundation For Ecumenical Theological Education

Statement of cashflows for year to 31 August 2019

	Note	2019 £	2018 £
Net Cashflow from operating activities	19	<u>308,075</u>	<u>55,888</u>
Property funds			
Payments to acquire fixed assets		(354,890)	(219,271)
Payments to acquire investments		(11,017)	(10,691)
Receipts from sales of investments		-	-
Interest received		81,561	79,949
Net cash flow from investing activities		<u>(284,346)</u>	<u>(150,013)</u>
Net increase/(decrease) in cash and cash equivalents		23,729	(94,125)
Cash and cash equivalents at 31 August 2018		293,837	387,962
Cash and cash equivalents at 31 August 2019		<u>317,566</u>	<u>293,837</u>
Cash and cash equivalents consists of:			
Cash at bank and in hand		311,809	288,080
Short term deposits		5,757	5,757
Cash and cash equivalents at 31 August 2019		<u>317,566</u>	<u>293,837</u>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2019

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 charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with 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) issued on 16 July 2014, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charity.

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.

3 TANGIBLE FIXED ASSETS

Cost	Long Leasehold			Total £
	Land & Buildings £	Furniture & Equipment £	Heating & Plant £	
Balance at 1st September 2018	4,345,025	546,255	176,244	5,067,524
Additions	354,890	-	-	354,890
Total cost at 31 August 2019	<u>4,699,915</u>	<u>546,255</u>	<u>176,244</u>	<u>5,422,414</u>
Accumulated depreciation				
Balance at 1st September 2018	2,213,044	333,603	127,766	2,674,413
Charge for the year	205,285	64,436	7,579	277,300
Total depreciation at 31 August 2019	<u>2,418,329</u>	<u>398,039</u>	<u>135,345</u>	<u>2,951,713</u>
Net book value				
At 31st August 2019	<u><u>2,281,586</u></u>	<u><u>148,216</u></u>	<u><u>40,899</u></u>	<u><u>2,470,701</u></u>
At 31st August 2018	<u><u>2,131,981</u></u>	<u><u>212,652</u></u>	<u><u>48,478</u></u>	<u><u>2,393,111</u></u>

4 INVESTMENT INCOME

	2019 £	2018 £
Interest - Investment funds	40,870	49,574
Interest - Property funds	28,275	18,576
Interest - Fixed Interest Securities	1,057	1,057
Interest on cash deposits	342	51
Interest reinvested	11,017	10,691
	<u>81,561</u>	<u>79,949</u>

Of the above, £76,373 was unrestricted (2018: £76,288) and £5,181 was restricted (2017: £3,661).

5 GRANTS AND DONATIONS

	2019 £	2018 £
Methodist Church	256,071	8,000
World Church Funding	47,708	-
Legacy	20,250	60,000
Grimmit Trust	3,500	3,500
Seedcorn Grant (Durham University)	2,408	-
Grant for Defibrillator	2,000	-
St Boniface Trust (Mission)	1,273	1,321
United Friends of Queens	1,159	999
International Student Support Grant	1,050	-
St Peters Saltley	-	390
Other donations less than £1,000	2,487	3,767
	<u>337,906</u>	<u>77,977</u>

Of the above, £23,896 was unrestricted (2018: £77,977) and £314,010 was restricted (2018: £0).

6 FIXED ASSET INVESTMENTS

	2019 £	2018 £
Market value at 1st September 2018	2,330,321	2,174,346
Dividends received and reinvested	11,017	10,691
Purchase of Investments	-	-
Sale of Investments	-	-
Profit on sale/redemption of investments	-	-
Net unrealised profit on revaluation	141,494	145,284
Market value at 31st August 2019	<u>2,482,832</u>	<u>2,330,321</u>
Historical cost at 31st August 2019	<u>978,258</u>	<u>967,241</u>

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

	2019 £	2018 £
Investments at market value comprise:		
Investment fund income shares	2,115,775	1,960,758
Property funds	340,111	343,337
Fixed interest securities fund income shares	26,946	26,226
	<u>2,482,832</u>	<u>2,330,321</u>

7 DEBTORS

	2019 £	2018 £
Debtors	176,239	282,169
Other Debtors	38,204	47,129
Provision for Doubtful Debts	(53,494)	(43,972)
	<u>160,949</u>	<u>285,326</u>

8 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade Creditors	130,443	387,468
Other Creditors	10,338	18,026
Tax & Social Security	21,054	23,033
Accruals & deferred income	153,822	24,780
	<u>315,657</u>	<u>453,307</u>

Included within other creditors is £8,483 (2018 - £8,812) held on behalf of third parties. These funds are included within investments and bank.

9 CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Loan from the Methodist Church	<u>5,000</u>	<u>5,000</u>
	<u>5,000</u>	<u>5,000</u>

The loan from the Methodist Church is to support the Research Centre. The loan is interest free.

10 RESTRICTED FUNDS

	Movement in Funds			Balance 31/08/19 £
	Balance 01/09/18 £	Incoming Resources £	(Expenditure) & Gains £	
Consolidated Fund	120,925	3,418	7,960	132,303
Methodist Building Grants:				
Library Extension	284,687	-	(22,118)	262,569
New Building Refurbishment	102,000	-	(6,800)	95,200
Heating overhaul	-	248,071	(24,807)	223,264
Mission Centre Fund	79,243	-	(21,713)	57,530
Principal's Discretionary Fund	3,310	1,770	(105)	4,975
	<u>590,165</u>	<u>253,259</u>	<u>(67,583)</u>	<u>775,841</u>

The Consolidated Fund is an amount held in investments which is available at the joint discretion of the Principal and Director of Finance & Operations 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 31/08/18 £
	Balance 01/09/17 £	Incoming Resources £	(Expenditure) & Gains £	
Consolidated Fund	109,696	3,351	7,878	120,925
Methodist Building Grants:				
Library Extension	306,805	-	(22,118)	284,687
New Building Refurbishment	108,800	-	(6,800)	102,000
Mission Centre Fund	87,729	-	(8,486)	79,243
Principal's Discretionary Fund	3,065	310	(65)	3,310
	<u>616,095</u>	<u>3,661</u>	<u>(29,591)</u>	<u>590,165</u>

11 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	1,369,474	584,624	516,604	2,470,701
Investments	2,350,529	132,303	-	2,482,832
Current Assets	419,600	58,914	-	478,514
Creditors - Within one year	(315,657)	-	-	(315,657)
- After one year	(5,000)	-	-	(5,000)
	<u>3,818,946</u>	<u>775,841</u>	<u>516,604</u>	<u>5,111,391</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	533,573
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COMPARATIVE FOR ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	1,393,894	390,278	608,939	2,393,111
Investments	2,221,278	109,043	-	2,330,321
Current Assets	488,319	90,844	-	579,163
Creditors - Within one year	(453,307)	-	-	(453,307)
- After one year	(5,000)	-	-	(5,000)
	<u>3,645,184</u>	<u>590,165</u>	<u>608,939</u>	<u>4,844,288</u>

12 UNRESTRICTED FUNDS

Designated Funds

	Balance 01/09/18 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Balance 31/08/19 £
AD 2062 Stephen Lloyd Fund	635,694	11,017	-	-	646,711
Research Fund	123,919	-	(22,465)	-	101,454
Church Workers' Pension Fund Liability	195,531	-	-	-	195,531
	955,144	11,017	(22,465)	-	943,696

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

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 is to provide cover for any future liability within this scheme following an actuarial valuation.

Unrestricted Funds

	Balance 01/09/18 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Balance 31/08/19 £
Designated funds	955,144	11,017	(22,465)	-	943,696
Unrestricted Funds	2,690,040	2,259,872	(2,208,197)	133,534	2,875,250
	3,645,184	2,270,889	(2,230,662)	133,534	3,818,946

Comparatives for Designated Funds

	Balance 01/09/17 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Balance 31/08/18 £
AD 2062 Stephen Lloyd Fund	625,003	10,691	-	-	635,694
Research Fund	145,409	-	(21,490)	-	123,919
Church Workers' Pension Fund Liability	195,531	-	-	-	195,531
	965,943	10,691	(21,490)	-	955,144

Comparatives for Unrestricted Funds

	Balance 01/09/17 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Balance 31/08/18 £
Designated funds	965,943	10,691	(21,490)	-	955,144
Unrestricted Funds	2,452,602	2,319,986	(2,219,954)	137,406	2,690,040
	3,418,545	2,330,677	(2,241,444)	137,406	3,645,184

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

RESTRICTED FUNDS

	Balance 01/09/17 £	Movement in Funds Incoming Resources £	(Expenditure) & Gains £	Balance 31/08/19 £
Consolidated Fund	109,696	6,769	15,838	132,303
Methodist Building Grants:				
Library Extension	306,805	-	(44,236)	262,569
New Building Refurbishment	108,800	-	(13,600)	95,200
Heating overhaul		248,071	(24,807)	223,264
Mission Centre Fund	87,729	-	(30,199)	57,530
Principal's Discretionary Fund	3,065	2,080	(170)	4,975
	616,095	256,920	(97,174)	775,841

UNRESTRICTED FUNDS

Designated Funds

	Balance 01/09/17 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Balance 31/08/19 £
AD 2062 Stephen Lloyd Fund	625,003	21,708	-	-	646,711
Research Fund	145,409	-	(43,955)	-	101,454
Church Workers' Pension Fund Liability	195,531	-	-	-	195,531
	965,943	21,708	(43,955)	-	943,696

Unrestricted Funds

	Balance 01/09/17 £	Incoming Resources £	Resources Expended £	Gains, (Losses) & Allocations £	Balance 31/08/19 £
Designated funds	965,943	21,708	(43,955)	-	943,696
Unrestricted Funds	2,452,602	4,579,858	(4,428,151)	270,940	2,875,250
	3,418,545	4,601,566	(4,472,106)	270,940	3,818,946

14 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2019 £	2018 £
Student Fees		
Centre for Ministerial Formation	1,650,521	1,738,039
Centre for Mission Studies	18,833	14,125
Non Residential tuition	149,125	142,462
Research Centre	17,350	58,519
	<u>1,835,829</u>	<u>1,953,145</u>
Accommodation Charges		
Married accommodation	122,551	124,773
Lettings of single rooms etc.	93,279	81,683
Conferences, guests etc.	53,022	16,811
	<u>268,852</u>	<u>223,267</u>
Total Fees & Accommodation Charges	<u><u>2,104,681</u></u>	<u><u>2,176,412</u></u>

15 ANALYSIS OF CHARITABLE EXPENDITURE

	2019 £	2018 £
Academic & Library Costs	1,101,569	1,065,624
Administrative Costs (excluding Governance)	457,505	445,158
Catering Costs	226,459	208,320
Domestic Costs	67,147	63,606
Premises Costs	518,537	562,665
Governance Costs	27,322	25,875
	<u><u>2,398,539</u></u>	<u><u>2,371,248</u></u>

15a GOVERNANCE COSTS

	2019 £	2018 £
Salaries - operational staff	20,562	22,005
Audit fee	5,760	3,870
Auditors non audit fees	1,000	-
	<u><u>27,322</u></u>	<u><u>25,875</u></u>

16 STAFF EMOLUMENTS

	2019 £	2018 £
Salary Costs	1,108,559	1,125,874
National Insurance	77,126	82,827
Pension Costs	139,817	143,899
	<u>1,325,502</u>	<u>1,352,600</u>

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:

	2019 FTE	2019 Number	2018 FTE	2018 Number
Academic and Library	15.6	18.5	16.2	19.0
Administrative and Others	15.1	20.0	18.6	26.0
	<u>30.7</u>	<u>38.5</u>	<u>34.8</u>	<u>45.0</u>

The total amount of employee benefits received by key management personnel is £318,802 (2018: £318,727).

17 AUDITORS REMUNERATION

	2019 £	2018 £
The auditors remuneration is comprised of: -		
Audit Fees	5,760	5,760
Other Services	1,000	-
	<u>6,760</u>	<u>5,760</u>

18 TRUSTEES REMUNERATION

Trustees received £410 for the reimbursement of travelling expenses during the year (2018: £258)

No trustee received any remuneration during the year (2018: £nil).

18a FINANCIAL COMMITMENTS

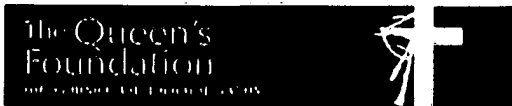
Operating lease commitments

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

	2019 £	2018 £
Not later than one year	8,632	8,632
Later than one and not later than five years	17,265	25,897
Later than five years	-	-

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

	2019 £	2018 £
Net income/(expenditure) for the year	267,103	108,374
Interest receivable	(81,561)	(79,949)
Depreciation and impairment of tangible fixed assets	277,300	231,731
(Gains) on investments	(141,494)	(145,284)
(Increase) / decrease in debtors	124,377	(49,646)
Increase / (decrease) in creditors	(137,650)	(9,338)
Net cash flow from operating activities	<u>308,075</u>	<u>55,888</u>



20 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:

	2019 £	2018 £
CEFPS	38,088	37,351
CWPF	12,657	18,439
MMPF	32,506	31,683
FL	47,260	56,426
	<u>130,511</u>	<u>143,899</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.

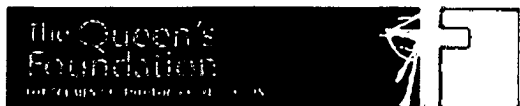
It is not possible to attribute the scheme's assets and liabilities to specific employers, since each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. The scheme is considered to be a multi-employer 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 2016. In this valuation, the Foundations share of the underlying assets and liabilities was shown to be a deficit of £20,400. With effect from 1 April 2018 the Foundation will need to pay annual deficit contributions of £4,737.

Following the valuation, the Employer has entered into an agreement with the Church Workers Pension Fund to pay expenses of £4,500 per year.

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 scheme is carried out once every three years. The most recent scheme valuation completed was carried out as at 31 December 2016. This revealed, on the ongoing assumptions used, a surplus of £0.5m. There is no requirement for deficit payments at the current time.

Pension Builder 2014 will be 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.

MMPS

The most recent MMPS valuation, carried out at 1 September 2017, indicated that the scheme had a deficit. The Methodist Conference plans to recover by contributions of 9.8% of Stipends per annum over the period from 1 September 2015 to 31 December 2020. In addition, the fixed annual contribution of £1m per year from the Pension Reserve Fund will continue until the shortfall is eliminated.

21 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 2019 there were 10 members of the charitable company (2018: 10)

22 RELATED PARTY TRANSACTIONS

There were no related party transactions for the year ended 31 August 2019.