

THE QUEEN'S FOUNDATION
For Ecumenical Theological Education
ANNUAL REPORTS
and
FINANCIAL STATEMENTS
for
The Twelve Months Ending 31 AUGUST 2007

Company Registration No 5511503

Charity Registration No 1111892

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COMPANIES HOUSE

GOVERNORS 2007

- C The Revd Elizabeth Welch BD, MTh
- C David Ritchie CB, MA
- C The Revd Canon Brian Russell MA, PhD
- C Yoshimi Gregory BA
- C Mrs Sue Davis CBE
- C Bishop Wilton R Powell OBE MBA BscHon
- C Ms Anthea Turner BA, MA, PGCE, Dip Mus
- C Simon Kirby MA, MBA
- C Ms Margaret Keane BA, DipTh, MLitt
- C The Revd Bill Anderson BA

- N Simon Rowntree JP, BA
 (Nominee of the General Assembly United Reformed Church)
- N Professor Michael Clarke CBE, MA, DL
 (Nominee of the Archbishops of Canterbury and York)
- N Miss Ena Evans BSc, CertEd HonDSc
 (Nominee of the Methodist Conference)

- C Co-optative Governors
- N Nominative Governors

Auditors	Bankers	Solicitors
Wenham Major Limited 89 Cornwall Street Birmingham B3 3BY	Bank of Scotland 55 Temple Row Birmingham B2 5LS	Anthony Collins 2 St Phillips Gate 5 Waterloo Street Birmingham B2 5PG

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

FOUNDATION STAFF 2007

Principal

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

Director of Research

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

Director Selly Oak Centre for Mission Studies

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

Senior Methodist Tutor

The Revd Tony McClelland MA, MA, D Phil
Oxford University, Cambridge University
(Methodist)

Director of Studies

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

Lecturers

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

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

Dr Paula Gooder MA, PhD
Oxford University
(Anglican)

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

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

Dr Anthony Reddie BA, PhD
Birmingham University
(Methodist)

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

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

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

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

Director of Finance/Bursar

Michael H Johnson FCCA, FCIS

**THE QUEEN'S FOUNDATION FOR ECUMENICAL
THEOLOGICAL EDUCATION (The Foundation)**

GOVERNORS' REPORT

The Governors have pleasure in presenting their Report together with the audited Financial Statements for the year ended 31 August 2007.

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

Governing Documents

The Queen's Foundation for Ecumenical Theological Education is a company limited by guarantee governed by its Memorandum and Articles of Association dated 10th July 2005. It is a charity, registered with the Charities Commission under a scheme dated June 2006 and for accounting purposes is unified with the Queen's Foundation for Ecumenical Theological Education, Permanent Endowment Trust, by an Order of the Commission issued on the same date. There are currently fourteen members (Governors) and each member agrees to contribute £1 00 in the event of a winding up.

Appointment of Governors

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

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

Organisation

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

Risk Management

The Governors have a risk management strategy which comprises -

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

Objectives and activities

Under its Memorandum of Association the objects of the Foundation are

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

Relationships with the Churches

The fees of candidates for the ordained ministry are funded wholly or in part by the Church of England, the Methodist Church and the United Reformed Church in the United Kingdom. Close working relationships are maintained on a formal basis through the nomination of Governors as described in previous section of this Report and by the attendance of officers of these Churches at Governors' meetings. Informal contacts between officers of the Churches and the staff of the Foundation are maintained on a continuing basis. The Foundation's ecumenical ethos is also exemplified in the maintenance of relationships with other churches and in particular through a joint course run with the Roman Catholic Oscott College.

Achievements and Performance -Review of the academic year 2006 / 2007

The major activity of the year was the establishment of the Selly Oak Centre for Mission Studies within the Foundation. This new Centre, which has taken on much of the work of the former United College of the Ascension, has brought new activity, staff and students to the Foundation. Four members of staff and around 20 students – many from overseas – have enriched the life of the Foundation and brought new energy to the campus. The Centre has introduced a new sponsoring body to the Foundation – USPG, an Anglican Mission agency – and brought the Methodist Church – an existing sponsoring body – into a new relationship through its world mission activities. In order to set up the Centre the Methodist Church generously allocated funds of £511,000 to re-develop the ground floor of the Old Building, and in particular to enlarge and refurbish the library. This has enabled the library to accommodate the collection from the United College of the Ascension, integrated IT resources, and greatly improved the overall environment.

As a result of the establishment of the Centre for Mission Studies the Foundation has also undergone organizational changes. There remain three centres united within a single operational framework, but these have been re-formed. The former centres of the College and the West Midlands Ministerial Training Course have been merged to a single centre called the Centre for Ministerial Formation, the Research Centre has been renamed the Graduate and Research Centre, the Selly Oak Centre for Mission Studies forms the third centre.

All three centres over the year have brought an increase in student numbers. There were 295 registered and attending students in the Foundation, which represents a small increase over the previous year. In particular an increased number were full-time, permanent resident students on the campus. Over the course of the year the Foundation, and in particular its ministerial training, has been inspected by the sponsoring churches. The Methodist Church at its annual conference has formally resolved to continue to sponsor the Foundation, identifying it as one of five Regional institutions in Britain, and one of three designated to receive full-time students. The Church of England has also through its House of Bishops given formal support to the Foundation. Together with the new commitments brought by the Centre for Mission Studies, and a growing interest from independent churches in the region, the Foundation is well placed for further growth and development.

Retiring Governors

The end of the financial year coincided with the retirement of two long serving Governors, The Revd Elizabeth Welch and Ms Maggie Keane. Both had served on the old Council, became Governors under the Scheme of 2000 which replaced that constitution, and Directors in 2005, when the Foundation assumed its current corporate identity. Elizabeth Welch was elected President of the governing body in 2002 and presided over a period of considerable change in which the Foundation's identity objectives and structures have been completely re-defined. The institution owes a great debt to the leadership, inspiration and loyalty of both these voluntary servants who contributed their wisdom and energies so willingly for the benefit of the Foundation and its future communities.

Financial Review

The unrestricted operating surplus for the year ended 31st August 2007 was £82,158, (2006, £33,547) excluding depreciation on the campus property of £57,460 (2006 £54,239) which is owned by the endowment fund. Unrealised profits on 'free' investments amounted to £34,416 (2006 £62,344) producing an increase in unrestricted funds for the year of £116,574. Restricted Funds include grants of £363,691 (2006, £174,254) for the completion of the Library extension (together with depreciation of £21,388, (2006, Nil)) and £211,041 transfer of funds to the Mission Centre from the winding up of the Selly Oak Colleges Endowment Fund. Within the balance sheet, the corresponding movements are apparent in the increase in tangible assets (buildings) and short term deposits respectively.

Reserves Policy

The Governors consider that the level of unrestricted reserves, which stood at £653,545 at 31st August 2007 (2006, £536,971) are adequate for the Foundation's needs, representing more than 50% of annual operating costs. The endowment reserves, including unrealised profits on investments, stand at £2,237,431 (2006, £2,200,877). Substantial sums from this fund are required to renovate and refurbish existing buildings on the Somerset Road campus as set out in the current business plan.

Plans for Future Periods

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

Governors' Responsibilities

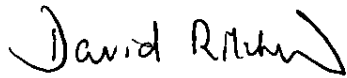
Company law requires the Governors to prepare for each financial year financial statements, which give a true and fair view of the state of affairs of the Foundation at the end of the financial year and of its surplus or deficit for that year. In preparing the financial statements the Governors have

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

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

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

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- as the directors of the company, we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the Foundation's auditors are aware of that information



President of Governors
29th November 2007

INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF THE QUEEN'S FOUNDATION

We have audited the financial statements of The Queen's Foundation for the year ended 31 August 2007 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

The responsibilities of the trustees (who are also the directors of Queen's Foundation for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether the information given in the Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information provided in the Governors' Annual Report is consistent with the financial statements

Wenham Major Limited

Wenham Major Limited

Registered Auditors

Date *29/11/07*

89 Cornwall Street
Birmingham
B3 3BY

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

BALANCE SHEET AS AT 31st AUGUST 2007

		2007		2006	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	3,4	1,385,943		1,028,434	
Investments	7	2,157,900		2,021,124	-
		<u>3,543,843</u>		<u>3,049,558</u>	
CURRENT ASSETS					
Stocks		5,219		4,514	
Debtors	8	35,706		159,534	
Short term Deposits		276,603		25,701	
Bank and Cash in hand		<u>32,936</u>		<u>29,419</u>	
		350,464		219,168	
CREDITORS					
Amounts falling due within 1 year	9	<u>185,703</u>		<u>271,464</u>	
NET CURRENT LIABILITIES			<u>164,761</u>		<u>(52,296)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,708,604		2,997,262
CREDITORS					
Amounts falling due after more than 1 year	10		5,000		5,000
NET ASSETS			<u><u>3,703,604</u></u>		<u><u>2,992,262</u></u>
FUNDS					
Endowment			2,237,431		2,200,877
Restricted	11		812,628		254,414
Unrestricted (inc Designated Funds)	14		653,545		536,971
			<u><u>3,703,604</u></u>		<u><u>2,992,262</u></u>

Approved by the Governors on 29th November 2007

David Ritchie

Simon Kirby

David Ritchie
Simon Kirby

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
AS AT 31st AUGUST 2007

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2007 Total £	2006 £
INCOMING RESOURCES						
Tuition Fees & Accommodation Charges	15	849,089	-	-	849,089	772,411
Investment Income	5	73,272	1,902	-	75,174	73,063
Grants and Donations	6	369,604	574,732	-	944,336	245,377
TOTAL INCOMING RESOURCES		1,291,965	576,634	-	1,868,599	1,090,851
RESOURCES EXPENDED						
Charitable activities						
Costs of Providing Education	16	1,176,295	21,388	57,460	1,255,143	914,885
Governance Costs		33,512	-	-	33,512	25,610
TOTAL RESOURCES EXPENDED		1,209,807	21,388	57,460	1,288,655	940,495
NET INCOME/(EXPENDITURE) FOR THE YEAR		82,158	555,246	(57,460)	579,944	150,356
OTHER GAINS AND LOSSES						
Profit/(Loss) on sale of investments						(1917)
Unrealised profits on investments		34,416	2,968	94,014	131,398	203,503
Net movement in funds		116,574	558,214	36,554	711,342	351,942
Funds brought forward at 1st September 2006		536,971	254,414	2,200,877	2,992,262	2,640,320
Funds carried forward at 31st August 2007		653,545	812,628	2,237,431	3,703,604	2,992,262

INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31ST AUGUST 2007

	2007 £	2006 £
Income	1293867	916597
Operating Expenses	(1288655)	(940495)
	5212	(23898)
Loss on Sale of Investments		(1917)
	5212	(25815)

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

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

b Incoming Resources

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

c Resources expended

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable. Costs of generating funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds. Charitable activities comprise expenditure associated with the provision of education and include both the direct costs and support costs relating to these activities. Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

d Irrecoverable VAT

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

e Tangible fixed assets

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

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

Land & Buildings - Leasehold	Nominal £10000 for expiration of lease 10% on cost of Refurbishment Scheme
Heating & plant	20% of cost
Motor vehicles	25% on cost written down to a minimum of £1
Audio visual equipment	33% on written down value or subsequent cost
Mowers & garden equipment	20% - 33% on cost
Computers	33% on cost
All other furniture & equipment	20% - 33% on written down value at 31.8.89 or subsequent cost

f Stock

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

g Funds structure

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

2 LEGAL STATUS OF THE CHARITY

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

3 TANGIBLE FIXED ASSETS

<i>Cost or valuation</i>	Land and Buildings £	Furniture & Equipment £	Heating & Plant £	Motor Vehicles £	Total £
Balance at 1st September 2006	1,224,743	424,943	92,935	0	1,742,621
Additions	439,431	31,047	1,792		472,270
At 31st August 2007	<u>1,664,174</u>	<u>455,990</u>	<u>94,727</u>	<u>0</u>	<u>2,214,891</u>
Accumulated depreciation					
Balance at 1st September 2006	312,302	362,765	39,120	0	714,187
Charge for the year	78,848	28,010	7,903		114,761
At 31st August 2007	<u>391,150</u>	<u>390,775</u>	<u>47,023</u>	<u>0</u>	<u>828,948</u>
Net book value					
At 31st August 2007	<u>1,273,024</u>	<u>65,215</u>	<u>47,704</u>	<u>0</u>	<u>1,385,943</u>
At 31st August 2006	<u>912,441</u>	<u>62,178</u>	<u>53,815</u>	<u>0</u>	<u>1,028,434</u>

4 LAND AND BUILDINGS

	2007 £	2006 £
The Foundation, comprising leasehold property in Somerset Road and Farquhar Road, Edgbaston (Lease expires 2062), at 1st September 2004	912,441	732,867
Add expenditure during the year		
Library Extension	367,431	174,254
Other Refurbishments	<u>72,000</u>	<u>59,559</u>
	439,431	233,813
	<u>1,351,872</u>	<u>966,680</u>
Less depreciation	<u>(78,848)</u>	<u>(54,239)</u>
	<u>1,273,024</u>	<u>912,441</u>

5 INVESTMENT INCOME

Interest - UK fixed interest securities	-	4,202
Interest - Investment funds	54,054	50,068
Interest - Property funds	15,241	12,706
Interest on cash deposits	4,151	4,875
Sundry interest	<u>1,728</u>	<u>1,212</u>
	<u>75,174</u>	<u>73,063</u>

6 GRANTS AND DONATIONS

Methodist Church Building Grant (restricted)	363,691	174,254
Methodist Church Mission Grant	206,441	-
USPG Mission Grant	108,061	-
SOCET winding up Grant	211,041	-
A Reddie salary support	29,097	27,373
Research Fellowship Trust Fund	11,000	12,000
St Peters Trust	7,500	15,000
The Revd Bishton legacy	1,000	
Methodist Tutors Fund	-	15,000
Caleb Trust	-	1,500
Other donations less than £1,000	<u>6,505</u>	<u>250</u>
	<u>944,336</u>	<u>245,377</u>

7 FIXED ASSET INVESTMENTS	2007	2006
	£	£
Market value at 31st August 2006	2,021,124	1,809,719
Interest received and reinvested	5,378	9,817
Purchase of Investments		315,186
Sale of Investments	-	(315,186)
Profit/(Loss) realised on sale		(1916)
Net unrealised profit on revaluation	131,398	203,504
At 31st August 2007	<u>2,157,900</u>	<u>2,021,124</u>
Historical cost at 31st August 2007	<u>875,124</u>	<u>869,746</u>

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

	Cost	Market Value
Central Board of Finance Investment Funds	439,591	1,780,240
Central Board of Finance Property Fund	<u>315,186</u>	<u>377,660</u>

8 DEBTORS	2007	2006
Debtors	27,050	45,286
Prepayments & Accrued Income	<u>8,656</u>	<u>114,248</u>
	<u>35,706</u>	<u>159,534</u>

9 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

Creditors	128,938	214,513
Accruals & deferred income	<u>56,765</u>	<u>56,951</u>
	<u>185,703</u>	<u>271,464</u>

10 CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR

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

11 RESTRICTED FUNDS

	Movement in Funds			
	Balance	Incoming	Expenditure	Balance
	31 8 06	Resources	(-) & Gains	31 8.07
	£	£	£	£
Consolidated Bursary Fund	71,833	1,469	2,968	76,270
Foundation Bursary Fund	8,327	433		8,760
Methodist Church - Library Extension	174,254	363,691	(21,388)	516,557
Mission Centre Fund	-	211,041	-	211,041
	<u>254,414</u>	<u>576,634</u>	<u>(18,420)</u>	<u>812,628</u>

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

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

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

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	473,502	516,557	395,884	1,385,943
Investments	570,442	48,294	1,539,164	2,157,900
Current Assets	341,704	8,760	-	350,464
Fund Loan	(541,400)	239,017	302,383	-
Creditors - Within one year	(185,703)	-	-	(185,703)
- After one year	(5,000)	-	-	(5,000)
	<u>653,545</u>	<u>812,628</u>	<u>2,237,431</u>	<u>3,703,604</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	<u>128,568</u>
	<u>278,968</u>

The Restricted Fund Fund includes grants repayable on the dissolution of the College to	
The Trustees for Methodist Church Purposes	<u>537,954</u>

13 TRANSFERS TO DESIGNATED FUNDS

	2007	2006
AD 2062 Stephen Lloyd Fund	1,500	1,500
AD 2002 Roof Replacement Fund	2,000	2,000
Staff Family Gratuity Fund	250	250
Contingencies Reserve	800	800
	<u>4,550</u>	<u>4,550</u>

14 UNRESTRICTED FUNDS

Designated Funds

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

	Balance 31 8.06	Incoming Resources	Gains, (Losses) & Allocations	Balance 31 8 07
AD 2062 Stephen Lloyd Fund	296,223	4,695	10,860	311,778
Capital Works Fund	125,747		18,223	143,970
Staff Gratuity Fund	23,325	683	1,361	25,369
Contingency Reserve	22,814	627	800	24,241
	<u>468,109</u>	<u>6,005</u>	<u>31,244</u>	<u>505,358</u>

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

General Funds

	Total
Surplus/(Deficit) at 31st August 2006	68,862
Surplus/(Deficit) for year	79,325
Surplus/(Deficit) at 31st August 2007	<u>148,187</u>
Total Unrestricted Funds at 31st August 2007	<u>653,545</u>

	2007 £	2006 £
15 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Student Fees		
Centre for Ministerial Formation	562,055	515,962
Non Residential tuition	27,527	32,415
Research Centre	51,607	62,740
	<u>641,189</u>	<u>611,117</u>
Accommodation Charges		
Married accommodation	139,515	101,472
Lettings of single rooms etc	32,526	26,577
Conferences, guests etc	35,859	33,245
	<u>207,900</u>	<u>161,294</u>
Total Fees & Accommodation Charges	<u>849,089</u>	<u>772,411</u>
16 ANALYSIS OF CHARITABLE EXPENDITURE		
Academic & Library Costs	583,137	368,532
Administrative Costs (excluding Governance)	189,132	158,690
Catering Costs	119,182	96,311
Domestic Costs	45,744	47,429
Premises Costs	317,948	243,923
	<u>1,255,143</u>	<u>914,885</u>
17 STAFF EMOLUMENTS		
Salary Costs	532,607	425,592
National Insurance	44,959	34,261
Pension Costs	105,879	78,472
	<u>683,445</u>	<u>538,325</u>
No employee received emoluments, as defined for tax purposes of over £60,000 in either year		
The average number of employees during the year, calculated on a full time equivalent basis was as follows -		
Academic and Library	12 7	9 0
Administrative and Others	12 3	10 9
	<u>25 0</u>	<u>19 9</u>
18 AUDITORS REMUNERATION		
The auditors remuneration of £5,405 (2006 £6,194) related solely to the audit		
19 TRUSTEES REMUNERATION		
Trustees received reimbursed travelling expenses of £124 during the year (2006 £29)		

20 PENSION COSTS

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

During the year the Foundation's contributions were

	2007 £	2006 £
CEFPS	13248	12939
CWFP	69668	59201
MMPF	9112	5677
URCMPF	10619	645
FP	3232	-
	<u>105879</u>	<u>78,462</u>

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

The CEFPS is a defined benefit scheme but the Foundation is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. At the latest valuation the contribution rate is 33.8% of pensionable stipends.

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

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

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

CASH FLOW STATEMENT FOR YEAR ENDED 31st AUGUST 2007

	2007	2006
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	732,067	229,096
INVESTING ACTIVITIES		-
Purchase of tangible fixed assets	(472,270)	(313,620)
Disposal of tangible fixed assets		2,000
Purchase of investments	(5,378)	(9,817)
Increase in cash and cash equivalents	254,419	(92,341)
Cash and cash equivalents at 31st August 2006	55,120	147,461
CASH AND CASH EQUIVALENTS AS AT 31st AUGUST 2007	<u><u>309,539</u></u>	<u><u>55,120</u></u>

RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

Changes in resources before revaluation	579,944	150,356
Depreciation	114,761	97,576
(Decrease)/Increase in creditors Current Liabilities	(85,761)	114,430
(Increase)/Decrease in debtors	123,828	(133,796)
(Increase)/Decrease in stocks	(705)	530
Net cash inflow from operating activities	<u><u>732,067</u></u>	<u><u>229,096</u></u>

ANALYSIS OF THE CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	2007	2006	Change in year
Short term deposits	276,603	25,701	250,902
Cash at bank and in hand	32,936	29,419	3,517
	<u><u>309,539</u></u>	<u><u>55,120</u></u>	<u><u>254,419</u></u>

This page is for management information only and does not form part of the accounts