

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

Annual Reports and Financial Statements
For the Year Ended 31 August 2009

Company Registration No 5511503

Charity Registration No 1111892



The Queen's Foundation for Ecumenical Theological Education

Annual Report and Financial Statements For The Year Ended 31 August 2009

Contents

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

The Queen's Foundation for Ecumenical Theological Education

ADMINISTRATIVE INFORMATION

GOVERNORS 2009

- C David Ritchie CB, MA
C The Revd Bill Anderson BA
C The Revd Canon Brian Russell MA, PhD
C Yoshimi Gregory BA
C Mrs Sue Davis CBE
C Bishop Wilton R Powell OBE MBA BscHon
C Ms Nwabueze Nwokolo LLB, BL
C The Revd Timothy J Clarke MA
- 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

RSM Bentley Jennison
Charterhouse
Legge Street
Birmingham B4 7EU

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 5511503
incorporating a charity administered by a Charity Commissioners Scheme
regulated by The Charity Commissioners for England and Wales
Registered Charity Number 1111892
Registered Company Number 5511503

The Queen's Foundation for Ecumenical Theological Education

FOUNDATION STAFF 2009

Principal

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

Director of Research

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

Director Selly Oak Centre for Mission Studies

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

Director of Studies

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

Lecturers

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

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

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

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

The Revd Julian Francis MA, Dip Theol Selwyn College, Cambridge, King's College, London (Anglican)

The Revd Ray Gaston BA (Hons) MTh, University of Leeds, University of Nottingham, Lincoln Theological College
(Anglican & Methodist)

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

The Revd Lynnette Mullings BA (Hons), Nazarene Theological College, University of Manchester (Wesleyan Holiness)

Dr Anthony Reddie BA, PhD, Birmingham University (Methodist)

Ms Nicola Slec 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

Michael H Johnson FCCA, FCIS

The Queen's Foundation for Ecumenical Theological Education

Governors' Report

The Governors have pleasure in presenting their Report together with the audited Financial Statements for the year ended 31 August 2009.

This has been another very successful year in the life and work of the Foundation. A record number of students training for ministry, the vibrant contribution of the Selly Oak Centre for Mission Studies, and significant growth in MA studies have been highlights. So too has been the establishment of our new Centre for Black Ministries and Leadership, showing that under the guidance of our Principal, Canon David Hewlett, Queen's is never content to stand still, and marking our commitment to developing future leaders for the Church wherever it is most active in our society.

The financial statements that follow have been prepared in accordance with the accounting policies set out on page 11 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 eleven 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 8 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.

Trustee Training

During the year, the Foundation staged a half day training event for Governors, with Central Consultancy & Training Ltd, on the subject of 'Governance Review'.

Organisation

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

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

The Queen's Foundation for Ecumenical Theological Education

Governors' Report

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

The Governors are satisfied that the objectives of the charity, as stated, meet the public benefit criteria of the Charities Act 2006

Relationships with the Churches

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

Achievements and Performance -Review of the academic year 2008 / 2009

The year has been one of continued consolidation and development. The number of registered students and levels of activity in the Foundation were at an all time high with inevitable resulting challenges to the physical and human resources of the Foundation. The number of students during the year meant a large leaving group, especially in the Centre for Ministerial Formation. Most churches are experiencing a decline in the number of those entering training for ordained ministry and our recruitment for the coming year reflects this.

In organisational terms the Foundation has been more clearly structured around four Centres: the Centre for Ministerial Formation, with newly appointed co-directors – Helen Cameron and Mark Earey, the Selly Oak Centre for Mission Studies, with its new director – Deaconess Evie Vernon, the Graduate and Research Centre, with its director – Adam Hood, and the new Centre for Black Ministries and Leadership. This Centre is sponsored by the Archbishops' Council of the Church of England and focuses work in both this church and among other Black majority churches to enable and train the ministries and leadership of Black and Asian Christians.

During the year the Foundation entered a new partnership with the Nehemiah Foundation, which recruits, trains and supports church based community development workers. This partnership will mean Nehemiah workers sharing some of their learning and training with others at Queen's, and will offer them an accredited programme for their professional learning and development. Also during the year revisions were made to the MA in Applied Theological

The Queen's Foundation for Ecumenical Theological Education

Governors' Report

Studies which provided a variety of 'pathways' for different students. The result has been the formation of an attractive and significant learning group for the core modules, and recruitment during the year has been positive. Even more encouraging is the fact that students are already enrolling for 2010-2011.

During the year a new agreement has been signed with the University of Birmingham for taught programmes. The sponsoring churches have been applying pressure for most ordinands to be trained by means of a Foundation Degree or an Employer Co-Funded BA. This demand cannot easily be met through our agreement with the University of Birmingham so considerable time has been spent exploring the best way forward. Further work has been done on the agreement relating to Research programmes and we expect this to be signed soon.

Retiring Governors

The end of the financial year coincided with the retirement of Anthea Turner, who had been a Governor of the institution since 2000. As a lay member with considerable expertise in adult education, her experience and opinions were much valued and the continuing Governors wish to acknowledge the contribution she has made to the governance of the Foundation.

Financial Review

The unrestricted funds at 31st August 2009 was £940,537, (2008, £962,888) after deducting £133,305 for funding of the deficit in the Church Workers Pension Scheme (2008, £Nil), which emerged as a result of the 2007 actuarial valuation. It has been agreed that this liability will be discharged over a five year period. Net unrealised losses on unrestricted investments amounted to £116,914 (2008, £77,666) producing a net decrease in unrestricted funds for the year of £22,351 (2008, increase of £309,343).

Restricted Funds include a grant for £170,000 for improvements to the Mission Centre students' accommodation, and sundry interest of £2,016 (2008, £2,150). After deductions for losses on investments of £5,404 (2008, £5,615), amortisation of £28,918 (2008, £21,971) on building projects financed by restricted resources and special expenditure of £15,418, the net increase in funds held at 31st August 2009 was £122,276 and the balance £919,446 (2008, £797,370) at that date.

The Endowment Fund, which holds the campus property and specific investments suffered from the continued fall in financial markets, with a deficit of £202,058 in unrealised losses on investments (2008, £195,339). After accounting for depreciation on the property, the total deficit was £318,786 (2008, £268,969) and the annual total £1,649,676 (2008, £1,968,462).

Reserves Policy

The policy of the Governors is to maintain the free reserves at a minimum level of 3 months annual expenditure. The unrestricted reserves, which stood at £940,537 at 31st August 2009 (2008, £962,888) actually represented more than eight months of normal annual operating costs. The endowment reserves, including unrealised losses on investments, stand at £1,649,676 (2008, £1,968,462). Substantial sums from this fund are required to continue refurbishment and expansion of the buildings on the Somerset Road campus, as set out in the current business plan.

The Queen's Foundation for Ecumenical Theological Education

Governors' Report

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.

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

It is the intention of the Governors to continue the programme of building additional lecture, administrative and reception facilities on the campus, although the timing of operations has been rescheduled to take account of the immediate impact of the recession on the Foundation's resources

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

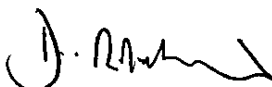
The Governors are responsible for maintaining proper accounting records, which disclose with reasonable accuracy, at any time, the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

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

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

Auditors

A resolution will be proposed at the Annual General Meeting that RSM Bentley Jennison be reappointed as auditors



President of Governors
3rd December 2009

**Independent Auditors' Report to the Governors of
The Queen's Foundation for Ecumenical Theological Education
(A Company Limited By Guarantee) (Company Registration Number 5511503)**

We have audited the financial statements of The Queen's Foundation for Ecumenical Theological Education for the year ended 31 August 2009 on pages 9 to 16. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 11

This report is made solely to the charitable company's governors, as a body, in accordance with Section 495 and 496 of the Companies Act 2006. Our audit work had been undertaken so that we might state to the charitable company's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the charitable company and its governors as a body, for our audit work, for this report, or for the opinions we have formed

Respective Responsibilities of Trustees and Auditors

As described on page 6 the governors, who are also the directors of the company for the purposes of company law, are responsible for the preparation of the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Governors' 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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the Governors' Report is consistent with the financial statements

In addition, we report to you if, in our opinion, the charity has not kept adequate accounting records, if the financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosure of governors' remuneration specified by law are not made.

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

Basis of 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 directors 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

**Independent Auditors' Report to the Governors of
The Queen's Foundation for Ecumenical Theological Education
(A Company Limited By Guarantee) (Company Registration Number 5511503)**

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 of the state of the charitable Company's affairs as at 31 August 2009, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Governors' Report is consistent with the financial statements

RSM Bentley Jennison

Vivian Shadbolt BSc ACA
Senior Statutory Auditor

For and on behalf of:
RSM Bentley Jennison, Statutory Auditor

Date *24/12/09*

Charterhouse
Legge Street
Birmingham
B4 7EU

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION
STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNTS
AS AT 31st AUGUST 2009

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2009 Total £	2008 £
INCOMING RESOURCES						
Tuition Fees & Accommodation Charges	15	1,027,765	-	-	1,027,765	995,245
Investment Income	5	96,043	2,016	-	98,059	97,367
Grants and Donations	6	490,772	170,000	-	660,772	606,230
TOTAL INCOMING RESOURCES		<u>1,614,580</u>	<u>172,016</u>	<u>-</u>	<u>1,786,596</u>	<u>1,698,842</u>
RESOURCES EXPENDED						
Charitable activities						
Costs of Providing Education	16	1,350,749	44,336	116,728	1,511,813	1,364,452
Governance Costs		35,963	-	-	35,963	30,654
TOTAL RESOURCES EXPENDED		<u>1,386,712</u>	<u>44,336</u>	<u>116,728</u>	<u>1,547,776</u>	<u>1,395,106</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		<u>227,868</u>	<u>127,680</u>	<u>(116,728)</u>	<u>238,820</u>	<u>303,736</u>
OTHER GAINS AND LOSSES						
Unrealised profits on investments		231	-	-	231	1,014
Unrealised losses on investments		(107,394)	(5,404)	(202,058)	(314,856)	(279,634)
EXCEPTIONAL ITEM						
Contribution to Under Funded Pension Scheme	20	(133,305)	-	-	(133,305)	-
Net movement in funds		<u>(12,600)</u>	<u>122,276</u>	<u>(318,786)</u>	<u>(209,110)</u>	<u>25,116</u>
Funds brought forward at 1st September 2008		962,888	797,370	1,968,462	3,728,720	3,703,604
Funds carried forward at 31st August 2009		<u>950,288</u>	<u>919,646</u>	<u>1,649,676</u>	<u>3,519,610</u>	<u>3,728,720</u>
INCOME AND EXPENDITURE ACCOUNT					YEAR ENDED 31ST AUGUST 2009	
					2009 £	2008 £
Income					1,645,514	1,709,531
Operating Expenses					(1,547,776)	(1,395,106)
					<u>97,738</u>	<u>314,425</u>

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

Company Registration No 5511503

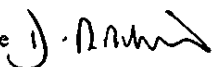
Charity Registration No 1111892

BALANCE SHEET AS AT 31st AUGUST 2009

	Note	2009		2008	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	3,4	2,088,436		2,098,886	
Investments	7	<u>1,788,126</u>		<u>2,095,820</u>	
			3,876,562		4,194,706
CURRENT ASSETS					
Stocks		5,714		5,380	
Debtors	8	21,191		21,421	
Short term Deposits		52,778		82,077	
Bank and Cash in hand		<u>5,922</u>		<u>32,510</u>	
		85,605		141,388	
CREDITORS					
Amounts falling due within 1 year	9	<u>348,687</u>		<u>602,374</u>	
NET CURRENT LIABILITIES			<u>(263,082)</u>		<u>(460,986)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,613,480		3,733,720
CREDITORS					
Amounts falling due after more than 1 year	10		93,870		5,000
NET ASSETS			<u><u>3,519,610</u></u>		<u><u>3,728,720</u></u>
FUNDS					
Endowment			1,649,676		1,968,462
Restricted	11		919,646		797,370
Unrestricted (inc Designated Funds)	14		950,288		962,888
TOTAL (including revaluation reserve of £689,530, 2008 £1,004,155)			<u><u>3,519,610</u></u>		<u><u>3,728,720</u></u>

Approved by the Governors on 3rd December 2009

David Ritchie



Sue Davis



THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2009

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 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below.

b Incoming Resources

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

c Resources expended

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

d Irrecoverable VAT

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

e Tangible fixed assets

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

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

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

During the year the Foundation updated its inventory of furnishings and equipment and, as a result of this, took the opportunity to eliminate certain unidentifiable items, all of which were fully depreciated. The items are shown as disposals on the fixed asset statement.

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.

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2009

3 TANGIBLE FIXED ASSETS

Cost	Land and Buildings £	Furniture & Heating & Equipment £	Plant £	Total £
Balance at 1st September 2008	2,479,355	492,499	94,727	3,066,581
Additions	146,298	29,706	-	176,004
Disposals	-	(271,403)	(2,465)	(273,868)
At 31st August 2009	<u>2,625,653</u>	<u>250,802</u>	<u>92,262</u>	<u>2,968,717</u>
Accumulated depreciation				
Balance at 1st September 2008	486,751	427,113	53,831	967,695
Charge for the year	138,846	41,100	6,508	186,454
Depreciation on Disposals	-	(271,403)	(2,465)	(273,868)
At 31st August 2009	<u>625,597</u>	<u>196,810</u>	<u>57,874</u>	<u>880,281</u>
Net book value				
At 31st August 2009	<u>2,000,056</u>	<u>53,992</u>	<u>34,388</u>	<u>2,088,436</u>
At 31st August 2008	<u>1,992,604</u>	<u>65,386</u>	<u>40,896</u>	<u>2,098,886</u>

4 LAND AND BUILDINGS

	2009 £	2008 £
The Foundation, comprising leasehold property in Somerset Road and Farquhar Road, Edgbaston (Lease expires 2062), at 1st September 2008	1,992,604	1,273,024
Add expenditure during the year		
Library Extension	-	11,282
Other Refurbishments	146,298	803,899
	2,138,902	2,088,205
Less depreciation	<u>(138,846)</u>	<u>(95,601)</u>
	<u>2,000,056</u>	<u>1,992,604</u>

5 INVESTMENT INCOME

Interest - Investment funds	70,551	62,236
Interest - Property funds	19,375	16,851
Interest - Fixed Interest Securities	1,410	352
Interest on cash deposits	5,177	15,606
Interest on 9% Treasury Stock 2011	900	450
Sundry interest	646	1,872
	<u>98,059</u>	<u>97,367</u>

6 GRANTS AND DONATIONS

Methodist Church Building Grant (restricted)	-	11,282
Methodist Church Building Grants (Part Cost)	170,000	-
Methodist Church Mission Grant	221,078	201,921
USPG Mission Grant	116,625	112,476
Archbishops' Council (Centre for Black Ministries & Leadership)	72,466	-
Meth Church - A Reddie salary share	35,575	17,206
Methodist Connexion Inter Faith Tutor Grant	25,000	-
G Knight Support for Research Student	5,700	-
RFTF winding up Grant	-	231,002
Methodist Church K Heim Research Support	-	20,000
St Boniface Trust (Mission)	-	10,009
The Amphlett Trust	6,245	-
Churches Together in Britain & Ireland	5,220	-
United Friends of Queens	1,822	-
Other donations less than £1,000	1,041	2,334
	<u>660,772</u>	<u>606,230</u>

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2009

7 FIXED ASSET INVESTMENTS	2009	2008
	£	£
Market value at 31st August 2008	2,095,820	2,157,900
Interest received and reinvested	6,931	6,213
Donation of Investments	-	210,327
Net unrealised loss on revaluation	(314,625)	(278,620)
At 31st August 2009	<u>1,788,126</u>	<u>2,095,820</u>
Historical cost at 31st August 2009	<u>1,098,596</u>	<u>1,091,665</u>

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

	Cost	Market Value
	£	£
Central Board of Finance Investment Funds	581,453	1,496,378
Central Board of Finance Property Fund	<u>361,984</u>	<u>254,959</u>

8 DEBTORS	2009	2008
	£	£
Debtors	13,958	13,902
Prepayments & Accrued Income	7,233	7,519
	<u>21,191</u>	<u>21,421</u>

9 CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

Trade Creditors	73,329	359,331
Other Creditors	185,918	62,296
Tax & Social Security	25,112	21,500
Accruals & deferred income	64,328	159,247
	<u>348,687</u>	<u>602,374</u>

Included within other creditors is £170,845 (2008 - £43,389) held on behalf of third parties. These funds are included within investments and bank.

10 CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR

CW Pension Scheme Funding Accrual	88,870	-
Loan from the Methodist Church	5,000	5,000
	<u>93,870</u>	<u>5,000</u>

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 08	Resources	(-) & Gains	31 8 09
	£	£	£	£
Consolidated Bursary Fund	72,300	1,763	(5,404)	68,659
Foundation Bursary Fund	9,265	253	-	9,518
Methodist Building Grants				
Library Extension	505,868	-	(22,118)	483,750
New Building Refurbishment	-	170,000	(6,800)	163,200
Mission Centre Fund	209,937	-	(15,418)	194,519
	<u>797,370</u>	<u>172,016</u>	<u>(49,740)</u>	<u>919,646</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 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 such projects as agreed with the S O C M S Advisory Council.

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2009

12 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds £
Tangible Fixed Assets	95,832	646,950	1,345,654	2,088,436
Investments	609,084	37,275	1,141,767	1,788,126
Current Assets	(94,758)	180,363	-	85,605
Fund Loan	611,842	225,903	(837,745)	-
Creditors - Within one year	(177,842)	(170,845)	-	(348,687)
- After one year	(93,870)	-	-	(93,870)
	<u>950,288</u>	<u>919,646</u>	<u>1,649,676</u>	<u>3,519,610</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 includes grants repayable on the dissolution of the College to	
The Trustees for Methodist Church Purposes	<u>719,236</u>

13 TRANSFERS TO DESIGNATED FUNDS

	2009 £	2008 £
AD 2062 Stephen Lloyd Fund	1,500	1,500
Capital Works 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 08 £	Incoming Resources £	Gains, (Losses) & Allocations £	Balance 31 8 09 £
AD 2062 Stephen Lloyd Fund	299,949	6,051	(16,470)	289,530
Capital Works Fund	115,277	-	(27,536)	87,741
Staff Gratuity Fund	23,681	880	(2,363)	22,198
Contingency Reserve	25,773	63	800	26,636
Research Fund	231,001	52	-	231,053
	<u>695,681</u>	<u>7,046</u>	<u>(45,569)</u>	<u>657,158</u>

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

The Capital Works Fund has been set aside to provide funds for refurbishing and extending buildings on the campus

The Staff Gratuity Fund is increased by annual transfer of £250 This amount, plus compound interest is set aside to assist staff suffering particular hardship or reward exceptional service

The Contingency Reserve is increased by annual transfer of £800 This amount, plus compound interest is to provide against unforeseeable future liabilities

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

	Total £
General Funds	
Surplus at 31st August 2008	267,207
Surplus for year	<u>25,923</u>
Surplus at 31st August 2009	<u>293,130</u>
Total Unrestricted Funds at 31st August 2009	<u>950,288</u>

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2009

	2009 £	2008 £
15 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES		
Student Fees		
Centre for Ministerial Formation	642,578	678,411
Non Residential tuition	66,530	38,336
Research Centre	<u>64,198</u>	<u>69,348</u>
	<u>773,306</u>	<u>786,095</u>
Accommodation Charges		
Married accommodation	143,291	152,016
Lettings of single rooms etc	20,361	24,914
Conferences, guests etc	<u>90,807</u>	<u>32,220</u>
	<u>254,459</u>	<u>209,150</u>
Total Fees & Accommodation Charges	<u>1,027,765</u>	<u>995,245</u>
16 ANALYSIS OF CHARITABLE EXPENDITURE		
Academic & Library Costs	703,163	678,333
Administrative Costs (excluding Governance)	209,581	188,350
Catering Costs	135,174	125,977
Domestic Costs	48,875	48,572
Premises Costs	<u>510,953</u>	<u>355,006</u>
	<u>1,607,746</u>	<u>1,396,238</u>
17 STAFF EMOLUMENTS		
Salary Costs	690,700	572,040
National Insurance	59,485	49,668
Pension Costs	<u>145,288</u>	<u>105,015</u>
	<u>895,473</u>	<u>726,723</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	16	14
Administrative and Others	<u>12</u>	<u>12</u>
	<u>28</u>	<u>26</u>
18 AUDITORS REMUNERATION		
The auditors remuneration is comprised of -		
Audit Fees	5,785	6,575
Other Services	<u>1,093</u>	<u>-</u>
	<u>6,878</u>	<u>6,575</u>
19 TRUSTEES REMUNERATION		
Trustees received reimbursed travelling expenses of £17 during the year (2008: £29)		

THE QUEEN'S FOUNDATION FOR ECUMENICAL THEOLOGICAL EDUCATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31st AUGUST 2009

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 (CWPF). Where appropriate the Foundation also contributes to the Methodist Ministers Pension Fund (MMPF), and the United Reformed Church Ministers Pension Fund (URCMPF), which are defined contribution schemes. For staff not covered in the above arrangements a stakeholder pension scheme is operated with Friends Provident Life & Pensions Ltd (FP).

During the year the Foundation's contributions were.

	2009 £	2008 £
CEFPS	27,899	13,656
CWPF - normal	73,547	66,418
CWPF - under funding	133,305	-
MMPF	9,816	9,480
URCMPF	-	2,701
FP	16,252	12,760
	<u>260,819</u>	<u>105,015</u>

Valuations of the Schemes were carried out as at 31 December 2006 (CEFPS), 31 December 2007 (CWPF), 30 September 2008 (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 39.7% of pensionable stipends (2008, 35%).

A current estimate indicates substantial under funding in that scheme and participating employers are considering a series of alternative strategies for dealing with that situation, since a direct increase in contributions to level required may be beyond the future ability of employers to pay.

Accordingly, a paper is to be prepared for discussion by the General Synod of the Church of England in February 2010, with appropriate recommendations.

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

At the actuarial valuation in December 2007, the assets and liabilities were allocated as far as was legally possible and the participating employers given an approximation of the under funding at that date. The Foundation's proportion of that deficit was £133,305. A resolution was passed in which employers agreed to provide additional funding according to the apportionment of that deficit, over a five year period, beginning on 1st January 2009.

For schemes such as the CEFPS and CWPF, 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 MMPF is a defined contribution scheme for ordained ministers in the Methodist Church.

Employers contributions are based on 22% of a standard Methodist Minister's stipend and a further 9% is contributed by individual members.

The URCMPF is also a defined contribution scheme. The Foundation does not currently employ any members of this scheme.

FP is a defined contribution scheme and the Foundation has no liability beyond contributions payable for the year.