

The Cambridge Theological Federation

Report and Financial Statements

31 August 2025

Registered Charity Number: 1099953
Company registration Number: 04700056

**THE CAMBRIDGE THEOLOGICAL FEDERATION
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2025**

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**THE CAMBRIDGE THEOLOGICAL FEDERATION
TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
FOR THE YEAR ENDED 31 AUGUST 2025**

The trustees, who are also the directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2025.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered charity name	The Cambridge Theological Federation
Charity registration number	1099953
Company registration number	4700056
Principal and registered office	The Bounds Westminster College Lady Margaret Road Cambridge, CB3 0BJ
Trustees	
Revd Dr Simon Taylor (Chair)	Appointed 9 July 2025
Dr Anna Abrams	
Mr Graham Budd	Appointed 9 July 2025
Revd Dr Peter McEnhill	Appointed 9 July 2025
Revd Dr Ian Randall	Appointed 9 July 2025
Mr Ian Strachan	
Dr Esther-Miriam Wagner	
Dr Nigel Walter	
<i>Professor John Bell (Chair)</i>	<i>Resigned 9 July 2025</i>
<i>Revd Dr Helen Dawes</i>	<i>Resigned 9 July 2025</i>
<i>Revd Dr Muthuraj Swamy</i>	<i>Resigned 9 July 2025</i>
<i>Revd Ian McColl</i>	<i>Resigned 9 July 2025</i>
Company Secretary	
<i>Interim Company Secretary</i>	Ms Ishbel Bruce appointed 1 August 2025 <i>Ms Ishbel Bruce appointed 22 May 2025</i> Ms Caroline Stafferton resigned 22 May 2025
Auditors	Chater Allan LLP Chartered Accountants & Statutory Auditors 7 Quay Court Colliers Lane Stow -cum-Quay CB25 9AU
Accountancy and payroll	Bidwells LLP Bidwell House Trumpington Road Cambridge CB2 9LD
Banker	Barclays PLC PO Box No2 Cambridge CB3 3PZ

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INTRODUCTION

The Cambridge Theological Federation, formed in 1972, is an ecumenical collaboration between twelve colleges and institutions who teach theology in Cambridge. The member institutions together fund the Federation and through it are able to offer their students access to degrees through Anglia Ruskin University, Durham University and the University of Cambridge.

The Federation is registered with the Office for Students which enables it to offer student loans and to be registered with the Home Office to sponsor Student visas. Registration with OfS brings a wide range of regulatory responsibilities.

Students have a complex set of contractual arrangements. Most students are admitted through one of the member institutions and so are members of that House. They become students of the Federation as well as some being a student of the validating University. BTh students also matriculate with one of the Cambridge Colleges. There are some students who are directly admitted as Federation students and so only have contracts with the Federation and the relevant University.

The Federation employs a small central services team at its Bounds House office that provides administrative and information services support. The Federation appoints academic staff with relevant theological expertise to teach and supervise Federation students on taught and research degrees. Most academic staff are members of one of the Federation Houses; others are retired or employed by another institution and are engaged to teach in their specialist areas. The Director of Professional Doctorate is an employee of Anglia Ruskin University, though primarily based with the Bounds House team. He teaches students taking the first year of the Professional Doctorate and supervises doctoral students.

More details about the Federation can be found at www.theofed.cam.ac.uk

Member Institutions

Member Institutions appoint two individuals as Members and may present students for enrolment on validated courses. Associate Members appoint one individual as a Member but are not entitled to have students on degrees validated through the Federation.

Institute for Orthodox Christian Studies	Orthodox Christian
The Faraday Institute for Science and Religion	
Margaret Beaufort Institute of Theology	Roman Catholic
Ridley Hall	Church of England
Wesley House	Methodist
Westcott House	Church of England
Westfield House	Lutheran
Westminster College	United Reformed Church

Associate Institutions

Cambridge Centre for Christianity Worldwide	
Eastern Region Ministry Course	Church of England
Kirby Laing Centre for Public Theology in Cambridge	
Woolf Institute	

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OBJECTIVES AND ACTIVITIES

The charity's objects are: to advance the Christian faith, to advance religious ecumenical education consistent with the doctrine and principles of the Christian faith, and to prepare men and women for ordained or lay ministry and service within the Christian churches.

The charity has adopted the following statement of purpose:

“Shaped by a common life of prayer and study, the Cambridge Theological Federation is an ecumenical collaboration of educational institutes engaged in the formation of Christian leaders. Individually and together we teach theology for ministry; reflect on the local and global, ecumenical and inter-faith context for Christian mission; foster encounter between people of different ecclesial and faith traditions; and undertake research in theology and religious studies.”

STATEMENT OF CORPORATE GOVERNANCE

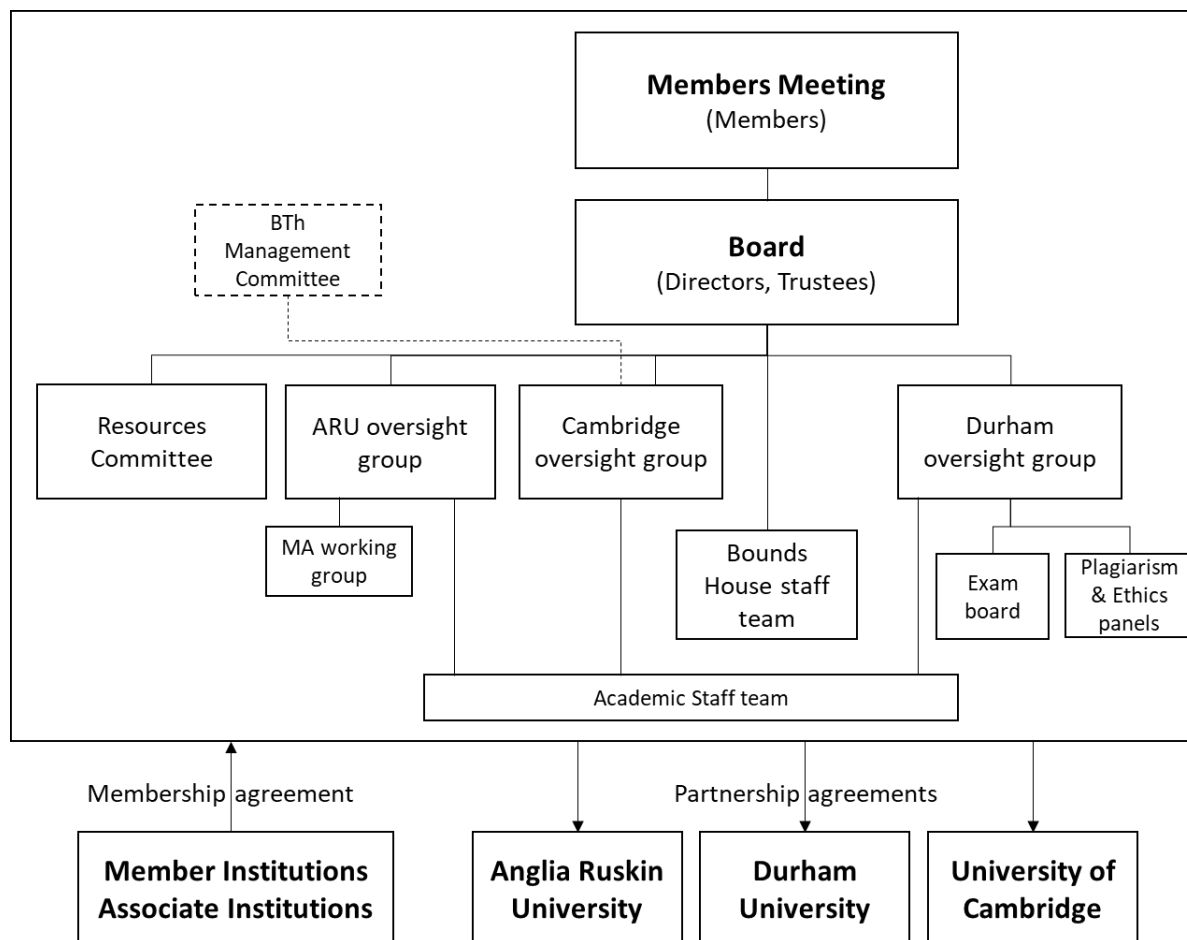
The charity is constituted as a company limited by guarantee and is governed by its articles of association adopted on 22nd November 2018.

Under the 2018 Articles the company's members are individuals appointed by the Federation's Member Institutions and Associate Institutions. (The difference being that Associate Institutions do not have the right to present students for enrolment on courses accredited via the Federation.) Two individuals are appointed by each of the Member Institutions and one individual each from the Associate Member institutions.

The members appoint the company's directors who govern the business of the Federation. The directors are also the charity's trustees.

The diagram below represents the Federation's corporate governance arrangements.

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The Members

The Members have retained the functions listed below. All other functions are delegated to the Board.

- Set the Federation's strategic direction, including determining its educational character and mission
- Amend the Articles
- Appoint the President who will chair meetings of the members
- Amend rules for General Meetings of the members
- Appoint and remove the Directors
- Appoint and remove the Chair of the Board and the Company Secretary.
- Set the basis of fees for Institution and Associate Members
- Appoint auditors
- Receive the annual report and accounts
- Approve the budget
- Approve the Scheme of Delegation
- Any other matter specifically requiring members' approval under the Companies Act.

The Members are responsible for the adequacy and effectiveness of corporate governance which they ensure through their Annual Meeting at which board minutes for the year are reviewed, reports from the Chair of the Board and Head of Central Services are discussed and these accounts, including this report, are reviewed.

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Director Selection Methods

Directors are selected through personal recommendation for their willingness to support and promote the vision of the Federation, and also for their expertise in areas key to the Federation's achieving its financial, legal and ecumenical objectives. Three of the directors are heads of member institutions and so ensure the members' interests are represented on the board.

Responsibilities of the board of directors

The responsibilities of the board, as set out in the Federation's Governance Manual, are listed below.

1. Authority

To act within the authority delegated in the Members' Scheme of Delegation.

2. Governance and statutory obligations

- a. To ensure that the Federation conforms to current Company Law and Charity Law in the management and conduct of its affairs.
- b. To ensure that Annual Returns, Annual Reports and Annual Accounts are prepared, audited, approved and filed in good time.
- c. To ensure risk is assessed and mitigated.
- d. To ensure that the Federation is financially viable, with a clear budget and financial monitoring.
- e. To ensure the Federation has clear policies and procedures in all areas required for good governance and to ensure their effectiveness.
- f. To ensure the Federation has clear operational policies and procedures for Health and Safety and ensure their effectiveness.

3. Strategy and Liaison

- a. To develop and ensure the implementation of a viable business plan based on the strategic direction given by the Members and report on its progress against objectives.
- b. To ensure that the Federation is efficiently and effectively managed with clear management procedures and monitoring of overall performance.
- c. To ensure that there is good liaison across all areas of the Federation, providing an annual report to Members, as well as making its minutes (except confidential items) available to Members, Bounds House staff, other staff of Member bodies and students.
- d. To be ambassadors for the Federation, developing good relationships with all institutions.

4. Compliance and quality assurance

- a. To ensure there are appropriate systems in place to meet all compliance issues relating to being an Alternative Educational Provider, including interaction with OfS and other external bodies.

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- b. To oversee the Prevent programme and monitor its effectiveness across institutions.
- c. To monitor quality assurance and enhancement undertaken through the three University Oversight Groups including responses to external examiners, external university committees, student feedback, suitable staff development.

5. Bounds House staff

- a. To ensure that there are clear HR processes in place for the appointment, remuneration, appraisal, support and accountability of Bounds House staff.

6. Acquiring knowledge and developing personally

- a. To keep up to date about the Federation's work.
- b. To keep up to date about the external environment in which the Federation operates and read externally to acquire relevant knowledge.

Trustees' Responsibilities Statement

The Trustees, who are also directors for the purposes of company law, are responsible for preparing the Trustees' 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the incoming resources and application of resources, including the income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the charity's auditor is unaware; and
- they have taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

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Policies & procedures for induction and training of trustees

The Board is responsible for inducting new Trustees which is done through provision of relevant material from the Charity Commission about Charity Trustees' responsibilities and through access to previous board minutes and papers.

Transparency about corporate governance arrangements

We ensure that our governance arrangements are transparent by publishing them in a Governance Manual which is given to all Members and Trustees and is available to all staff and students from our virtual learning environment/intranet. This report ensures the information is available in the public domain.

We promote transparency of our governance decisions through circulation of minutes of committees and through the inclusion of student representatives attending committee and board meetings.

Key management personnel

The role of Head of Central Services (HCS), is the key management position with day to day responsibility delegated for the Federation's effective management. Between 1 August 2024 and 22 May 2025, Caroline Stafferton held this role. From 22 May to 31 July 2025, Ishbel Bruce was employed through the Cambridge University Temporary Services Agency as part-time Interim HCS. Ishbel Bruce was appointed to the permanent, full-time role from 1 August 2025.

PUBLIC BENEFIT

The public benefit activities we have undertaken this year in relation to our purposes have included:

- the provision of regular communal acts of worship to encourage and facilitate the practice of the Christian religion by those training for ministry and their families;
- supporting the theological colleges which are members of the Federation in raising awareness of religious practices and beliefs;
- providing education in accordance with the principles and practices of the Christian religion;
- providing opportunities through placements for students to engage in prison, hospital and school chaplaincy work;
- providing training in pastoral and liturgical work, both within and beyond faith communities;
- providing opportunities for continuing ministerial education for ministers through formal and informal educational programmes and through training offered for placement supervisors, academic tutors and others;
- providing, through our member institutions, seminars and lectures on current topics of interest to Christian faith for engaging in dialogue and research to explore and promote inter-faith understanding and cooperation.

Details of further activities are discussed in the "achievements and performance" section below. The Trustees have paid due regard to the published guidance from the Charity Commission on the operation of the Public Benefit requirement under the Charities Act.

Contribution made by volunteers

There were no volunteers during this period.

Arrangements for setting pay & remuneration of key management personnel

The pay and remuneration of key management personnel is set by recommendation from the Resources Committee and agreed in each year's budgeting process.

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TRUSTEES' ANNUAL REPORT (Incorporating the Directors' Report)
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ACHIEVEMENTS AND PERFORMANCE

The main achievement of the Federation remains teaching students. 297 students were taught on courses validated through the Federation in 2024/25, compared with 269 in 2023/24. In addition, a number of students read for the BA in Theology and Religious Studies, PhD or MPhil by arrangements made directly between a member institution and the University of Cambridge.

- 171 students studied for awards from ARU (163 in 2024)
- 115 students studied for awards from Durham University (106 in 2024)
- 11 students studied for awards from the University of Cambridge (10 in 2024)

Strategic Plan

Following the completion of the last strategic review and the setting of some short-term strategic goals in the 2022/23 Interim Strategic Plan, the Board developed a multi-year plan, CTF Strategic Plan 2023/26. Actions for the plan are now in progress and achievements are being monitored. Development of the next phase of the strategic plan is underway.

FINANCIAL REVIEW

The Federation's funding model is based on the following principles:

1. The central Federation (ie this company) will have a balanced budget each year.
2. The core central costs are split amongst the Member Institutions in equal proportions, according to their membership category.
3. The library costs are split amongst all Member Institutions, adjusted according to their relative level of demand on the service.
4. The costs of running each of the degree programmes are borne in full by those Member Institutions wishing to offer those degrees, including the cost of purchasing and licensing electronic books and journals.
5. The Member Institutions keep all of the student fee income after the university has taken its share.

This business model means that the Federation is operating a cost-sharing model and so the financial position will remain robust, subject to managing cashflow.

The Federation's total incoming resources from charitable activities for the year amounted to £965,325 (2024 £1,401,011)

The costs of charitable activities amounted to £963,616 (2024: £1,187,288) of which £633,775 (2024 £851,810) related to direct costs and £329,841 (2024 £335,479) related to support costs. This included Governance costs of £20,775 (2024 £22,125). Staff costs, including pension and social security costs, were £270,918 (2024 £271,929).

Net current assets at the end of the year amounted to £407,935 (2024 £493,073). Total funds were £1,911,827 (2024 £1,913,755) of which unrestricted funds amounted to £1,867,224 (2024 £1,867,012) and restricted funds amounted to £44,603 (2024 £46,743).

Reserves Policy

The policy of the Federation is to hold sufficient reserves to be able to meet its commitments to staff (including redundancy costs), students (including teach out costs) and suppliers in the event of the

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charity ceasing to operate. The Resources Committee has set a target reserves figure of £200,000. At 31 August 2025, free reserves were £363,332.

Principal sources of funds

The Federation does not generally undertake any fundraising and aims to be fully funded from contributions from its member institutions and a share of fee income from students taking the Professional Doctorate who are not affiliated to a member institution.

Going concern

The Federation's funding model, taken with the reserves held, enable the charity trustees to consider that the Federation is a going concern and will remain so in the future as any operating deficit will be fully covered by the member institutions.

Statement of internal control

The board is responsible for the adequacy and effectiveness of risk management and oversight of statutory and other regulatory responsibilities including compliance with the Office for Students' ongoing conditions of funding. It fulfils these responsibilities through receiving and discussing reports from the Head of Central Services at its regular Board meetings.

The Board is the body responsible for ensuring that a sound system of internal control is maintained and it has reviewed the effectiveness of these arrangements.

The principles of internal control applied by the Board are:

- a) Identifying and managing risk is an ongoing process linked to achieving the Federation's objectives
- b) The approach to internal control is risk-based and includes an evaluation of the likelihood and impact of risks becoming a reality
- c) Review procedures cover business, operational and compliance risk as well as financial risk
- d) Risk assessment and internal controls are embedded in ongoing operations
- e) The Board receives regular reports on internal control and risk.

The Federation's internal controls to prevent and detect corruption, fraud, bribery and other irregularities include:

- Use of external accountants for bookkeeping, payments and management reporting
- The Head of Central Services approves all invoices before passing them for payment
- Management accounts are reviewed at each board meeting
- The board policy is that expenditure over £10,000 is counter-signed by the Chair or Treasurer, except for the distribution of university fees and student loan income to the member institutions.
- The external audit, whilst not designed to manage these risks, provides the Board with further comfort that good procedures are in place and the figures presented give a true picture of the organisation's financial situation.

The Federation does not receive public funding from the OfS, UK Research and Innovation, the Department for Education or the Education and Skills Funding Agency.

The Federation receives public funding from the Student Loan Company, which is passed in full to the Member Institution of the relevant student and is used for payment of their tuition fees.

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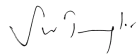
No internal control weaknesses or failures arose in the year or have arisen up to the date of this report's signing.

PLANS FOR FUTURE PERIODS

The Federation will continue to offer degrees validated by our three partners, Anglia Ruskin University, Durham University and the University of Cambridge and continually strive to provide a high quality learning experience for our students.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

The trustees' annual report was approved 3 December 2025 and signed on behalf of the board of trustees by:



Reverend Dr Simon Taylor Chair of Trustees

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

Opinion

We have audited the financial statements of The Cambridge Theological Federation (the charitable company) for the year ended 31 August 2025 which comprise the statement of financial activities (including income and expenditure account), the balance sheet, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- and the funds administered by the charitable company for specific purposes have been properly applied to those purposes and managed in accordance with requirements of the Companies Act 2006;
- have met the requirements of the OfS's 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

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. 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.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

Other information (continued)

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 are required to report whether the charitable company's grant and fee income, as disclosed in note 21 to the accounts, have been materially misstated.

We have nothing to report in this regard.

Opinion on other matter 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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has 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 trustees' 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanation we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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 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 company or to cease operations, or have no realistic alternative but to do so.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

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.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- we identified the laws and regulations applicable to the charitable company through discussions with Directors and other management, and from our knowledge and experience of the education sector;
- we obtained an understanding of the legal and regulatory framework applicable to the charitable company and how it is complying with that framework;
- we obtained an understanding of the charitable company's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reviewing minutes of meetings of those charged with governance;
- Enquiring of management as to actual and potential litigation and claims.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025**

Use of our report

This report is made solely to the trustees, 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 trustees 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Graham Berriman (Senior Statutory Auditor)
For and on behalf of Chater Allan LLP
Chartered Accountants and Statutory Auditors
7 Quay Court
Colliers Lane
Stow-cum-Quay
CB25 9AU

Date: 19 December 2025

THE CAMBRIDGE THEOLOGICAL FEDERATION
STATEMENT OF FINANCIAL ACTIVITIES (incorporating the Income and Expenditure account)
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted Funds £	2025 Restricted Funds £	Total Funds £	2024 Total Funds £
Income and endowments					
Donations, grants and legacies	4	-	-	-	216,910
Charitable activities	5	930,371	-	930,371	1,148,948
Other trading activities	6	26,218	-	26,218	28,800
Investment income	7	8,735	-	8,735	6,353
Total Income		965,325	-	965,325	1,401,011
Expenditure					
Charitable activities	8	961,476	2,140	963,616	1,187,288
Total expenditure		961,476	2,140	963,616	1,187,288
Net income/(expenditure)		3,849	(2,140)	1,709	213,723
Net realised and unrealised gains/(losses) on investments	15	(3,637)	-	(3,637)	-
Net income/(expenditure) before transfers		212	(2,140)	(1,928)	213,723
Transfers between funds	19	-	-	-	-
Net movement in funds		212	(2,140)	(1,928)	213,723
Total funds brought forward		1,867,012	46,743	1,913,755	1,700,032
Total funds carried forward		1,867,224	44,603	1,911,827	1,913,755

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
BALANCE SHEET
AS AT 31 AUGUST 2025**

REGISTERED NUMBER: 04700056

	Note	2025 £	2024 £
FIXED ASSETS			
Tangible fixed assets	14	1,407,529	1,420,682
Investments	15	96,363	-
Total fixed assets		<u>1,503,892</u>	<u>1,420,682</u>
CURRENT ASSETS			
Trade and other debtors	16	122,423	112,326
Cash at bank and in hand		<u>379,431</u>	<u>492,034</u>
		501,854	604,360
CREDITORS: amounts falling due within one year	17	<u>93,919</u>	<u>111,287</u>
NET CURRENT ASSETS		407,935	493,073
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,911,827</u>	<u>1,913,755</u>
NET ASSETS		<u>1,911,827</u>	<u>1,913,755</u>
RESERVES			
Restricted Funds	19	44,603	46,743
Unrestricted Funds			
General Funds	19	1,650,102	1,650,102
Designated Funds	19	<u>217,122</u>	<u>216,910</u>
		1,867,224	1,867,012
TOTAL FUNDS		<u>1,911,827</u>	<u>1,913,755</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Trustees and authorised for issue on 3 December 2025 and signed on its behalf by

.....
Revd Dr Simon Taylor
Chair

.....
Ishbel Bruce
Head of Central Services

THE CAMBRIDGE THEOLOGICAL FEDERATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	2025	2024
	£	£
Cash flows from operating activities		
Net (expenditure)/income	(1,928)	213,723
Adjustments for:		
Depreciation of tangible fixed assets	13,153	13,487
Other interest receivable and similar income	(8,735)	(6,353)
Changes in:		
Trade and other debtors	(10,097)	(45,144)
Trade and other creditors	(17,368)	51,273
Losses/(gains) on investments	3,637	-
Net cash (used in)/generated by operating activities	<u>(21,338)</u>	<u>226,985</u>
Cash flows from investing activities		
Interest received	8,735	6,353
Payments to acquire investments	(100,000)	-
Net cash (used in)/ generated by investing activities	<u>(91,265)</u>	<u>6,353</u>
Net (decrease)/increase in cash and cash equivalents	<u>(112,603)</u>	<u>233,338</u>
Cash and cash equivalents at beginning of year	492,034	258,696
Cash and cash equivalents at end of year	<u>379,431</u>	<u>492,034</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

1. GENERAL INFORMATION

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is The Bounds, Westminster College, Lady Margaret Road, Cambridge, CB3 0BJ.

Income and Expenditure account

A statutory Income and Expenditure account is not included as the required information is presented in the Statement of Financial Activities.

The Cambridge Theological Federation meets the definition of a public benefit entity under FRS 102.

Under the 2018 Articles the company's members are individuals appointed by the Federation's Member Institutions and Associate Institutions.

2. STATEMENT OF COMPLIANCE

The financial statements have been prepared under the historical cost convention and in accordance with the 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), the Charities Act 2011 and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for investments, which are included at market value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular future projects or commitments.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

3. ACCOUNTING POLICIES (continued)

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal, and fall into one of two sub-classes: restricted income funds or endowment funds.

Income

All income is included in the statement of financial activities when entitlement has passed to the charity; it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable and its amount can be measured reliably.
- income from contracts for the supply of services is recognised with the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Any surplus or deficit for the year is payable/claimable from the houses, this is included within income.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- expenditure on charitable activities includes all costs incurred by a charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

3. ACCOUNTING POLICIES (continued)

Tangible Assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property - 125 years straight line

Equipment - 25% reducing balance

Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment.

All realised and unrealised gains and losses are taken to the Statement of Financial Activities as they arise.

Defined Benefit Plan

The company operates a defined benefit pension scheme for its employees. The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the scheme's assets and liabilities to specific employers and therefore contributions are accounted for as if the Scheme were a defined contribution scheme.

Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

4. DONATIONS, GRANTS AND LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Donations	-	-	-	-
Grants	-	-	-	216,910
	<u>-</u>	<u>-</u>	<u>-</u>	<u>216,910</u>

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Theological education and training	930,371	-	930,371	1,148,948
	<u>930,371</u>	<u>-</u>	<u>930,371</u>	<u>1,148,948</u>

6. OTHER TRADING ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Letting	26,218	-	26,218	28,800
	<u>26,218</u>	<u>-</u>	<u>26,218</u>	<u>28,800</u>

7. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total Funds 2025 £	Total Funds 2024 £
Bank interest	8,735	-	8,735	6,353
	<u>8,735</u>	<u>-</u>	<u>8,735</u>	<u>6,353</u>

8. EXPENDITURE ON CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Activities undertaken directly 2025 £	Support Costs 2025 £	Total 2025 £	Total 2024 £
Theological education and training	633,775	329,841	963,616	1,187,288
	<u>633,775</u>	<u>329,841</u>	<u>963,616</u>	<u>1,187,288</u>

THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

9. ANALYSIS OF SUPPORT COSTS

	Total 2025	Total 2024
	£	£
Staff costs	270,918	271,929
Premises	24,364	27,213
General office	13,784	14,212
Governance costs	20,775	22,125
	<u>329,841</u>	<u>335,479</u>
Governance costs:	£	£
Audit fees	5,900	6,230
Accountancy	14,875	15,895
	<u>20,775</u>	<u>22,125</u>

10. NET EXPENDITURE

	2025	2024
	£	£
Net expenditure is stated after charging		
Depreciation of tangible fixed assets	<u>13,153</u>	<u>13,487</u>

11. AUDITORS REMUNERATION

	2025	2024
	£	£
Fees payable for the audit of the financial statements	<u>5,900</u>	<u>6,230</u>

12. STAFF COSTS

The total staff costs and employee benefits for directly employed staff for the reporting period are analysed as follows:

	2025	2024
	£	£
Wages and salaries	225,238	231,763
Social security costs	23,666	19,515
Employer contributions to pension plans	22,014	20,652
	<u>270,918</u>	<u>271,929</u>

The average head count of employees (full time equivalent) during the year was 8 (2024: 9).

No employee received employee benefits of more than £60,000 during the year (2024: £nil).

Key management personnel

Key management personnel includes all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total remuneration paid to key management personnel for services provided to the charity was £40,060 (2024: £42,397).

Senior staff pay

The accounts direction from the Office for Students requires disclosures about the number of staff with a full-time equivalent basic salary of over £100,000 per annum and full details of the total remuneration package for the head of provider. There were no members of staff with a full-time equivalent basic salary of over £100,000 per annum (2024: £nil).

THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

12. STAFF COSTS (continued)

Head of Central Services	C Stafferton		I Bruce	
	2025	2024	2025	2024
	£	£	£	£
Basic salary	28,744	35,987	3,938	-
Pension	2,874	2,775	394	-

C Stafferton was in post as the Head of Central Services from 1 September 2024 to 31 May 2025; from 1 August 2025 I Bruce was appointed to the position.

13. TRUSTEE REMUNERATION AND EXPENSES

The Trustees received no remuneration (2024: £nil) during the year.

During the period Trustees received reimbursement of travel expenses of £nil (2024: £nil).

14. TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Equipment £	Totals £
Cost			
As at 1 September 2024	1,518,943	69,559	1,588,502
Additions	-	-	-
As at 31 August 2025	<u>1,518,943</u>	<u>69,559</u>	<u>1,588,502</u>
Depreciation			
As at 1 September 2024	102,265	65,555	167,820
Charge for the year	12,152	1,002	13,153
As at 31 August 2025	<u>114,417</u>	<u>66,557</u>	<u>180,973</u>
Net book value			
As at 31 August 2025	<u>1,404,526</u>	<u>3,002</u>	<u>1,407,529</u>
As at 31 August 2024	<u>1,416,678</u>	<u>4,004</u>	<u>1,420,682</u>

Long leasehold property includes £935,000 paid to Westminster College. This is in respect of a lease of the Bounds which commenced October 2015 and runs for 125 years. The lease premium is being depreciated over 125 years.

15. INVESTMENTS

	2025 £
Market value	
As at 1 September 2024	-
Additions	100,000
Revaluation	(3,637)
As at 31 August 2025	<u>96,363</u>
Historical cost	<u>100,000</u>

Investments above represents units in the COIF Charities Ethical Investment Fund.

16. DEBTORS

	2025 £	2024 £
Trade debtors	12,151	9,884
Other debtors	110,272	102,442
	<u>122,423</u>	<u>112,326</u>

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

17. CREDITORS

	2025	2024
	£	£
Trade creditors	37,158	30,592
Social security and other taxes	-	5,090
Other creditors	6,410	4,613
Accruals and Deferred income	50,350	70,992
	<u>93,919</u>	<u>111,287</u>
Deferred income:		
As at 1 September 2024	-	1,300
Deferred income recognised in the year	-	(1,300)
Resources deferred during the year	1,200	-
	<u>1,200</u>	<u>-</u>
As at 31 August 2025	<u>1,200</u>	<u>-</u>

Deferred income represents rental income received in advance.

18. PENSIONS AND OTHER POST RETIREMENT BENEFITS

The Cambridge Theological Federation participates in the Pension Builder Scheme section of the Church Workers Pension Fund for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the scheme separately from those of the Employer and the other participating employers.

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.

Pension Builder Scheme

The Pension Builder Scheme of the Church Workers Pension Fund is made up of two pensions, 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. Discretionary increases 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 which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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

The scheme is a multi-employer scheme as described in Section 28 of FRS 102 as it is not possible to attribute the Pension Builders Scheme's assets and liabilities to specific employers and that 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 of £22,014 (2024: £20,652).

THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

18. PENSIONS AND OTHER POST RETIREMENT BENEFITS (continued)

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2022.

For the Pension Builder Classic section, the 2022 valuation revealed a surplus of £34.8m on the ongoing assumptions used. At the most recent annual review effective 1 January 2025, the Board chose to grant a discretionary bonus of 6.7% to both pensions not yet in payment and pensions in payment in respect of service prior to April 1997; and a bonus on pensions in payment in respect of post April 2006 service so that the pension increase was 2.7% (where usually it would be calculated based on inflation up to 2.5%).

The next valuation is due as at 31 December 2025.

For the Pension Builder 2014 section, the valuation revealed a surplus of £8.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

The legal structure of the scheme is such that if another employer fails, Cambridge Theological Federation could become responsible for paying a share of that employer's pension liabilities.

19. ANALYSIS OF FUNDS

	At 1 September 2024 £	Income £	Expenditure £	Transfers/ Gains / (losses) £	At 31 August 2025 £
Restricted Funds - Income Fund					
Maurice and Hilda Laing Trust grant	46,743	-	(2,140)	-	44,603
	<u>46,743</u>	<u>-</u>	<u>(2,140)</u>	<u>-</u>	<u>44,603</u>
General Funds					
Unrestricted Funds	1,650,102	961,476	(961,476)	-	1,650,102
Designated Funds					
Maurice and Hilda Laing Trust grant	216,910	3,849	-	(3,637)	217,122
	<u>1,867,012</u>	<u>965,325</u>	<u>(961,476)</u>	<u>(3,637)</u>	<u>1,867,224</u>
Total Funds	<u>1,913,755</u>	<u>965,325</u>	<u>(963,616)</u>	<u>(3,637)</u>	<u>1,911,827</u>

Restricted Funds

Maurice and Hilda Laing Trust grant

During the year £2,140 was spent as the Federation's contribution to the development of a new database in partnership with Trinity College, Bristol and St Mellitus College.

Designated Funds

Maurice and Hilda Laing Trust grant

The Federation received an amount of £216,910 from the Margaret Beaufort Institute of Theology, as a transfer of grant monies received from the Maurice & Hilda Laing Charitable Trust. In accordance with the expectations of the Laing Trust, the Trustees of the Federation have designated this grant as available for specific projects within the Federation which will be of benefit to all of the members.

**THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total Funds £
Tangible fixed assets	1,407,529	-	1,407,529
Investments	96,363	-	96,363
Net Current assets	363,332	44,603	407,935
Net assets	<u>1,867,224</u>	<u>44,603</u>	<u>1,911,827</u>

21. ANALYSIS OF GRANT AND FEE INCOME FROM CHARITABLE ACTIVITIES

	2025 £	2024 £
Grant income from the OfS	-	-
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	115,246	106,934
Fee income for research awards (exclusive of VAT)	336,889	406,656
Fee income from non-qualifying courses (exclusive of VAT)	-	-
Total grant and fee income	<u>452,135</u>	<u>513,590</u>

22. LEASING AGREEMENTS

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

	2025 £	2024 £
Not later than 1 year	-	733
Later than 1 year and not later than 5 years	-	-
	<u>-</u>	<u>733</u>

£735 lease payments were expensed in the year.

23. RELATED PARTY TRANSACTIONS

Member Institutions and associate institutions paid membership fees of £373,559 in the year.

THE CAMBRIDGE THEOLOGICAL FEDERATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2025

24. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds £	2024 Restricted Funds £	Total Funds £
Income and endowments			
Donations and legacies	216,910	-	216,910
Charitable activities	1,171,061	-	1,171,061
Other trading activities	28,800	-	28,800
Investment income	6,353	-	6,353
Total income	<u>1,423,124</u>	<u>-</u>	<u>1,423,124</u>
Expenditure			
Charitable activities	1,206,214	3,187	1,209,401
Total expenditure	<u>1,206,214</u>	<u>3,187</u>	<u>1,209,401</u>
Net income/(expenditure)	<u>216,910</u>	<u>(3,187)</u>	<u>213,723</u>
Transfers between funds	-	-	-
Net movement in funds	<u>216,910</u>	<u>(3,187)</u>	<u>213,723</u>
Reconciliation of funds			
Total funds brought forward	1,650,102	49,930	1,700,032
Total funds carried forward	<u>1,867,012</u>	<u>46,743</u>	<u>1,913,755</u>



Cambridge Theological Federation

2025 Audit Matters & Findings



Contents

1. Audit Matters for the year ended 31st August 2025
2. Audit Status & Independence
3. Audit Approach
4. Significant Audit Risks & Our Findings
5. Audit & Accounting Issues & Internal controls
6. Other Issues, Audit Report & Accounting

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1. Audit Matters for the year ended 31st August 2025

Dear Trustees and management

Audit Matters for Cambridge Theological Federation for the year ended 31 August 2025

This report summarises the main issues arising from the audit of the financial statements of Cambridge Theological Federation for the year ended 31 August 2025, which we wish to draw to the attention of the trustees and management. This report forms part of the ongoing communications we are required to make under International Standard on Auditing (ISA) 260 'Communication of audit matters with those charged with governance'. We appreciate that you will already be aware of the majority of the matters contained in this report, however we are required to formally communicate them to you.

Yours faithfully

Stuart Berriman

Senior Statutory Auditor

Stuart.Berriman@chaterallan.co.uk

November 2025



2. Audit Status & Independence

This report has been drafted solely to report to you as trustees matters in relation to our audit. All findings came to light during the course of our normal audit tests which were carried out on a sample basis and were designed to assist us in forming our opinion on whether the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of Cambridge Theological Federation's affairs as at 31 August 2025 and of the results for the year then ended. However, if any irregularity did come to our attention during our audit tests, we would, of course, inform you immediately.

Our tests may not necessarily disclose all items which could be brought to the attention of the trustees and should not be relied upon to do so. This report should be read with the financial statements for the year ended 31 August 2025.

We have complied with the Ethical Standards for Auditors and all threats to our independence, as identified to you, have been properly addressed through appropriate safeguards. No additional facts or matters have arisen during the course of the audit that we wish to draw to your attention, and we confirm that we are independent and able to express an objective opinion on the financial statements.

The trustees are responsible for ensuring compliance with company and charity legislation. They are responsible for the preparation of the financial statements and for making available to us all of the information and explanations we consider necessary. Therefore, it is essential that the trustees confirm that our understanding of all the matters referred to in the memorandum is appropriate, having regard to their knowledge of particular circumstances. Cambridge Theological Federation's management are responsible for the identification, assessment, management and monitoring of risks, for developing, operating and monitoring the system of internal control and for providing assurance to the trustees that they have done so.



3. Audit Approach

Our audit approach is based on an assessment of the audit risks, both in respect of the charitable company as a whole and of the individual components of the financial statements. These are primarily determined by the inherent risk that a material misstatement may occur within the financial statements.

An item is considered material to the financial statements if, through its omission, over-statement or non-disclosure, the financial statements would no longer show a true and fair view. In order that we were able to perform an appropriate level of audit testing, a figure for materiality was calculated at the planning stage and then updated once full year figures were available.

As a result of our findings, there was no change to our audit approach.

Audit system and use of IT

We use “Myworkpapers” for our audit system. This is a cloud-based, paperless audit system that uses checklists and work programmes based on the Mercia Audit Procedures Manual. Access to Myworkpapers is via password. Office 365 is used extensively in our audit work, both for analytical and substantive testing.



4. Significant Audit Risks and Our Findings

Professional standards require us to consider two standard risks for all organisations: Management override of controls and Revenue recognition. As part of our audit planning, we identified additional significant risks as set out below.

Significant risks area identified	Our findings and recommendations
Income Recognition – both in terms of completeness of income and timing of the recognition of income	We undertook a detailed review of both pre and post year-end income transactions and, following our audit journal adjustments, it was concluded that income is not materially misstated. Our audit work included both substantive testing and analytical procedures, such as tests in total. We selected all income streams as part of our testing. There were no material issues that we need to bring to your attention.
Management Override of Controls – the risk that financial controls are circumvented by management	As part of our audit, we updated our understanding of the financial reporting process and the internal controls that are in operation which had been obtained in our planning meeting with the accountant. During the course of our audit work no evidence came to our attention to suggest that there have been any instances of management override of internal controls. Our audit work included substantive testing procedures on a random sample of income and expenditure, as well as various analytical techniques.



4. Significant Audit Risks and Our Findings - continued...

Significant risks area identified	Our findings and recommendations
Related Parties – the risk that there are unidentified related parties, or related party transactions.	We have reviewed the systems in place for identifying related parties and their transactions. Additional testing was performed to identify any additional related parties or transactions which had been omitted. There were no material issues identified that we need to bring to your attention.
Going Concern - the risk that the financial statements are prepared on an inappropriate basis.	<p>Based on audit work undertaken, to the date of this Report, no evidence has come to our attention to suggest that the accounts should not be prepared on the going concern basis.</p> <p>Prior to signing our Audit Report, we will undertake a review of post year-end transactions, the future budgets and discuss future plans with management to ensure that the going concern basis has been correctly adopted in the preparation of the accounts.</p>



4. Significant Audit Risks and Our Findings - continued...

Significant risks area identified	Our findings and recommendations
Fraud Risk	During the course of our audit work and following discussion with management no evidence came to light of any instances of fraud in the financial statements or in relation to assets of the company.
Fund reporting – the risk that transactions are not allocation to the correct fund.	We undertook a detailed review of transactions throughout the year and, following our audit journal adjustments, it was concluded that the fund reporting is not materially misstated. Our audit work included both substantive testing and analytical procedures, such as tests in total. There were no material issues that we need to bring to your attention.



5. Audit & Accounting Issues & Internal Controls

Financial Statements

As part of our audit we have considered and reviewed the company's accounting policies in accordance with UK Generally Accepted Accounting Practice and we have not encountered any material departures. In our opinion the accounting policies selected are appropriate to the circumstances of the company.

Accounting and internal controls

We have found that the charitable company's accounting and internal control systems to be appropriate to the charitable company's needs based upon the complexity of the activities and the need for any system to be cost effective. No matters have come to our attention during the audit to suggest that any serious error has arisen with these systems during the accounting period under review. We therefore believe that the systems can be relied upon to produce financial statements that show a true and fair view.

The purpose of the audit was for us to express an opinion on the financial statements. The audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Our audit is, therefore, not designed to identify all control weaknesses.

We found the accounting and internal control systems to be robust and appropriate, however, there are some recommendations as set out below that we have made regarding the internal controls:



5. Audit & Accounting Issues & Internal controls - continued

Control weakness identified in the current year	Potential implications and recommendations	Management response
During our substantive testing of payroll it came to our attention that there was an employee without a signed contract of employment and another where there had been a change in gross pay but no pay increase letter was issued.	<p>There is a risk that the Charity is not compliant with relevant rules and regulations, and in the absence of documentation there is a risk that if there were any dispute in the future the Charity would not have appropriate documentation.</p> <p>We recommend that a review of all employment related paperwork is reviewed to ensure it is complete and up-to-date.</p>	
As part of our review of controls related to the payroll process, it came to our attention that the final monthly payroll report was not reviewed and authorised by the Charity prior to payment being made.	There is a risk that the payroll provider makes an error, and an incorrect payment is made.	Management are aware; the system has been changed since the year-end.



6. Other Issues, Audit Report & Accounting

Other Issues

There continues to be a discrepancy between pension payments due per the payroll reports and amounts physically paid over.

We recommend that a review of pensions is undertaken to ensure that the correct amounts are being deducted and paid over correctly.

Audit Report

We confirm that our audit has not revealed any matters that will require a modification to our Audit Report and therefore we expect that an unqualified audit opinion will be issued .

The original Audit Report will be signed by Stuart Berriman, as Senior Statutory Auditor, in the name of Chater Allan LLP.

Summary of audit differences and letter of representation

A Letter of representation is attached to this report.

We are required to inform you of any significant adjustments made to the financial statements identified during the course of our audit. An appendix is attached to this report setting out the significant adjustments made. These adjustments have been discussed and agreed with management and staff.

E: admin@theofed.cam.ac.uk

T: 01223 760 087

To: Chater Allan LLP

Dear Sirs

The following representations are made on the basis of enquiries of management and staff with relevant knowledge and experience such as we consider necessary in connection with your audit of Cambridge Theological Federation's financial statements for the year ended 31 August 2025. These enquiries have included inspection of supporting documentation where appropriate and are sufficient to satisfy ourselves that we can make each of the following representations. All representations are made to the best of our knowledge and belief.

General

We have fulfilled our responsibilities as directors, as set out in the terms of your engagement letter under the Companies Act 2006, for preparing financial statements in accordance with applicable law and United Kingdom Accounting Standards (UK Generally Accepted Accounting Practice), for being satisfied that they give a true and fair view and for making accurate representations to you.

All the transactions undertaken by the company have been properly reflected and recorded in the accounting records.

All the accounting records have been made available to you for the purpose of your audit. We have provided you with unrestricted access to all appropriate persons within the company, and with all other records and related information requested, including minutes of all management and shareholder meetings.

The financial statements are free of material misstatements, including omissions. There are no uncorrected misstatements.

Internal control and fraud

We acknowledge our responsibility for the design, implementation and maintenance of internal control systems to prevent and detect fraud and error. We have disclosed to you the results of our risk assessment that the financial statements may be misstated as a result of fraud.

We have disclosed to you all instances of known or suspected fraud affecting the entity involving management, employees who have a significant role in internal control or others that could have a material effect on the financial statements.

We have also disclosed to you all information in relation to allegations of fraud or suspected fraud affecting the entity's financial statements communicated by current or former employees, analysts, regulators, or others.

Assets and liabilities

The company has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in the notes to the financial statements.

All actual liabilities, contingent liabilities and guarantees given to third parties have been recorded or disclosed as appropriate.

We have no plans or intentions that may materially alter the carrying value and, where relevant, the fair value measurements or classification of assets and liabilities reflected in the financial statements.

Accounting estimates

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

Loans and arrangements

The company has not granted any advances or credits to, or made guarantees on behalf of, directors other than those disclosed in the financial statements.

Legal claims

We have disclosed to you all claims in connection with litigation that have been, or are expected to be, received and such matters, as appropriate, have been properly accounted for and disclosed in the financial statements.

Laws and regulations

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.

Related parties

Related party relationships and transactions have been appropriately accounted for and disclosed in the financial statements. We have disclosed to you all relevant information concerning such relationships and transactions and are not aware of any other matters which require disclosure in order to comply with the requirements of company law or accounting standards.

Subsequent events

All events subsequent to the date of the financial statements which require adjustment or disclosure have been properly accounted for and disclosed.

Going concern

We believe that the company's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the company's needs. We have considered a period of twelve months from the date of approval of the financial statements. We believe that no further disclosures relating to the company's ability to continue as a going concern need to be made in the financial statements.

We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware.

Federation Members: Cambridge Centre for Christianity Worldwide (CCCW) | Institute for Orthodox Christian Studies (IOCS)
Margaret Beaufort Institute of Theology | Ridley Hall | Wesley House | Westcott House | Westfield House | Westminster College
Associate Members: Eastern Region Ministry Course (ERMC) | Faraday Institute for Science and Religion
Kirby Laing Centre for Public Theology in Cambridge (KLC) | Woolf Institute

Each director has taken all the steps that ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully

.....

Signed on behalf of the board of directors

Date

Federation Members: Cambridge Centre for Christianity Worldwide (CCCW) | Institute for Orthodox Christian Studies (IOCS)
Margaret Beaufort Institute of Theology | Ridley Hall | Wesley House | Westcott House | Westfield House | Westminster College
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The Federation is a Charitable Company, Limited by Guarantee: Charity Registration 1099953, Company Number 4700056

Cambridge Theological Federation
Y/E 31/08/2025

Journals

Greentree			Income & Expenditure		Balance Sheet	
	Code		Debit	Credit	Debit	Credit
1)	Debit 0907.20	Depreciation	13,153.10			
	Credit 0001.15A	Property depn charge				12,151.55
	Credit 0002.10A	Office Equipment Depn charge				966.44
	Credit 0004.10A	MA office equipment charge				4.49
	Credit 0005.10A	Office furniture depreciation charge				30.61
		Being Deprecation charge for the year				
2)	Debit 0610.00	Audit fees	6,000.00			
	Credit 0210.09	Accruals				6,000.00
		Being to account for Audit Fee				
5)	Debit 0110.01	Accrued Income			28,248.82	
	Credit 0416.00	Student fee income - Anglia		28,248.82		
	Debit 0911.00	Student Fees MBIT	3,040.63			
	Debit 0920.00	Student Fees CCCW	112.00			
	Debit 0913.00	Student Fees Wesley	7,828.01			
	Debit 0910.00	Student Fees IOCS	9,084.23			
	Debit 914	Student Fees Wescott	5,529.36			
	Credit 0210.09	Accruals				25,594.23
		Being 2024/25 ARU July income due to CTF and due to be paid to Houses				
7)	Debit 0110.01	Accrued Income			42,305.31	
	Credit 0400.00	IOCS		42,305.31		
		Being 2024/25 deficit due from Houses				
8)	Debit 0110.01	Accrued Income			10,891.24	
	Credit 0416.00	Student fee income - Anglia		10,891.24		
	Debit 0911.00	Student Fees MBIT	798.00			
	Debit 0920.00	Student Fees CCCW	70.00			
	Debit 0913.00	Student Fees Wesley	74.96			
	Debit 0910.00	Student Fees IOCS	8,113.09			
	Debit 914	Student Fees Wescott				
	Credit 0210.09	Accruals				9,056.05
		Being 2024/25 ARU August income due and due to be paid to Houses				
			<u>53,803.38</u>	<u>81,445.37</u>	<u>81,445.37</u>	<u>53,803.38</u>