

KING'S COLLEGE LONDON THEOLOGICAL TRUST

Report and Financial Statements

Year ended 31 July 2021

KING'S COLLEGE LONDON THEOLOGICAL TRUST

Contents	Page
Trustees and professional advisers	1
Trustees' report	2 - 3
Statement of Trustees' responsibilities	4
Independent Auditor's report	5 - 7
Statement of financial activities	8
Balance sheet	9
Cash flow statement	10
Notes to the accounts	11 - 13

KING'S COLLEGE LONDON THEOLOGICAL TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

The Revd Dr Giles Legood – Chairman

The Revd Canon Dr Alison Joyce – representing The Bishop of London (ex officio) - from 9 March 2021

Professor E Byrne, Principal of King's College London (ex officio) – to 31 January 2021

Professor Shitij Kapur, Principal of King's College London (ex officio) – from 1 June 2021

The Revd Barry Nichols

The Revd Canon Dr Hazel Whitehead

Archbishop Josiah Idowu-Fearon

The Revd Jennie Hogan

TRUST ADDRESS

King's College London

Strand

London

WC2R 2LS

AUDITOR

KPMG LLP

Chartered Accountants & Registered Auditor

15 Canada Square

London

E14 5GL

BANKERS

CAF Bank Ltd

25 Kings Hill Avenue

Kings Hill

West Malling

Kent

ME19 4JQ

KING'S COLLEGE LONDON THEOLOGICAL TRUST

TRUSTEES' ANNUAL REPORT

Year ended 31 July 2021

The Trustees present their annual report and financial statements of the charity for the year ended 31 July 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland published on 16 July 2014.

OBJECTS AND ACTIVITIES

The objects of the Trust, as set out in the Scheme, are as follows: -

1. the provision of or assisting in the provision of residential accommodation for students in the Department of Theology and Religious Studies of King's College London;
2. furthering the education of such students, and of former students of the said Department in such ways as the Trustees think fit;
3. furthering the vocational training of such students or former students and in particular of those who intend to seek ordination in the Church of England; and
4. the advancement of the Christian religion, particularly in accordance with the doctrines of the Church of England, among such students and former students.

The trustees achieve these objects principally through the award of grants. In particular, they intend to support postgraduate overseas students from developing countries undertaking doctoral/masters research, and to make individual grants to home students undertaking courses in the Department of Theology. Vocational training towards the ordained ministry will be furthered with continuing grants towards schemes organised through the Dean's Office.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities and setting the grant making policy for the year.

ACHIEVEMENTS AND PERFORMANCE

During the year, the Trust funded three overseas scholarships to a student studying for postgraduate qualifications within the Department of Theology and Religious Studies of King's College London. These scholarships are awarded to students who are able to benefit from the educational opportunity offered by the department who are unable to obtain an education at this level in their own country and who are expected to make a significant contribution to the religious life of their country through the medium of one of the Christian dominations.

In addition, the Trust received three applications for individual small grants and all were successful in being awarded funds. These awards are made principally to assist with the cost of tuition fees for home students, although requests for other purposes, such as thesis preparation and travel in connection with research are also considered.

The Trust also provided support to the Chaplaincy at King's College London by funding two assistants which has enhanced the work of the chaplains. These awards assist with the vocational training of students. Past assistants have continued to minister within the church.

FINANCIAL REVIEW

The total income for the year, derived entirely from investments and bank deposits was £140,054.

The total expenditure for the year was £173,192. The expenditure consisted of grants of £118,971 to six students, £44,430 expenditure in furthering the education and vocational training of students and former students of the Department of Theology and Religious Studies of King's College London and £4,871 on management and administration, and the audit fee of £4,920. The excess of expenditure over income for the year was £33,138.

During the year, the market value of the Trust's investments increased by £78 ,630 to £5,303 845.

Total funds of the charity as at 31 July 2021 amounted to £5,626,327. The trustees' policy is to maintain a capital base from which to generate income to support future beneficiaries. They achieve this by adding to the original capital sum all capital gains arising from the Trust's investments and only spending income. As at 31 July this capital reserve amounted to £5,207,458.

In addition, the Trustees maintain an income reserve as a cushion against those years in which expenditure exceeds income. This may occur because there are a higher number of applicants which the Trustees consider deserving of support, or because circumstances result in a student requiring support over a longer period than was originally envisaged. To give the Trustees this flexibility and to ensure that the Trust can continue to support a student through to completion of their course, even when this has had to be extended for unforeseen reasons, the Trustees have decided to maintain a reserve of between 6 and 12 months of annual expenditure.

At 31 July 2021 the income reserve was standing at £4 8,869 equivalent to 30 months of expenditure, far in excess of the policy. A reorganisation within King's College London has resulted in fewer students applying for grants and difficulties in finding overseas scholars of a sufficient standard to undertake successfully a higher degree have contributed to a decrease in expenditure in previous years; the Trustees have now identified a further two overseas scholars who will be funded during the next financial year which will assist in redressing this position.

The Trust's investment policy is to maintain the capital value of its investment, after taking into account inflationary factors and generate sufficient income to meet its objectives.

During the year, the total returns on the Trust's investment was an increase of 20.4% consisting of a 17.4% increase in the value of investments and a 3.0% income yield.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust was formed under a scheme approved by the Charity Commission on 19 September 1980. The Trust was previously treated as exempt from the requirements to register with the Charity Commission under the provisions of the King's College London Act 1978. However, following the changes to regulation introduced in the Charities Act 2006, the Trustees decided that this exemption was no longer appropriate. On 23 September 2011, the Trust was registered with the Charity Commission in England, under Charity Number 1143939.

There are seven trustees – two ex-officio trustees being the Principal of King's College London and the Bishop of the Diocese of London or his or her nominated representative with five co-opted trustees.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

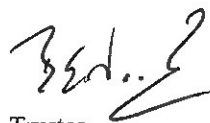
Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. The trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

Approved and signed on behalf of the Trustees on 11 March 2022.



Trustee

Independent auditor's report to the Trustees of King's College London Theological Trust

Opinion

We have audited the financial statements of King's College London Theological Trust ("the charity") for the year ended 31st July 2021 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31st July 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the charity in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The trustees have prepared the financial statements on the going concern basis as they do not intend to liquidate the charity or to cease its operations, and as they have concluded that the charity's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the trustees' conclusions, we considered the inherent risks to the charity's business model and analysed how those risks might affect the charity's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the trustees' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the charity will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Reading Meeting of Trustees minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue streams are non-complex and can be simply and directly agreed to independent third party reports.

We did not identify any additional fraud risks.

We performed procedures including:

- Reviewing all transactions posted across period 1 – 12, and those posted in period 13, and comparing any material identified entries to supporting documentation via related substantive procedures.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience (as required by auditing standards), and discussed with the trustees and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Trust is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related charities legislation), and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on the amounts or disclosures in the financial statements. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the trustees and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The trustees are responsible for the other information, which comprises the Trustees' Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or

- in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Trustees' responsibilities

As explained more fully in their statement set out on page 4, the trustees are responsible for: the preparation of financial statements which give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the charity'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 they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and its trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Fleur Nieboer
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 15 Canada Square
 London
 E14 5GL

25 March 2022

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

KING'S COLLEGE LONDON THEOLOGICAL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

Year ended 31 July 2021

	Note	Total Unrestricted funds	
		2021	2020
		£	£
Income and Endowments			
Investment income	2	<u>140,054</u>	<u>135,957</u>
Total income		<u>140,054</u>	<u>135,957</u>
Expenditure			
Expenditure on charitable activities	3	<u>173,192</u>	<u>149,302</u>
Net income/(expenditure) and net movement in funds before gains and losses on investments		(33,138)	(13,345)
Net gains on investments		<u>786,630</u>	<u>128,510</u>
Net Movement in Funds		753,492	115,165
Total Funds brought forward at 1 August	7	<u>4,872,835</u>	<u>4,757,670</u>
Total Funds carried forward at 31 July	7	<u><u>5,626,327</u></u>	<u><u>4,872,835</u></u>

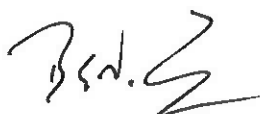
All income and expenditure derive from continuing operations.

KING'S COLLEGE LONDON THEOLOGICAL TRUST

BALANCE SHEET as at 31 July 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Investments	4	5,303,845	4,517,215
CURRENT ASSETS			
Debtors	5	46,285	44,842
Cash at bank and in hand		<u>281,117</u>	<u>314,778</u>
		327,402	359,620
CREDITORS: amounts falling due within one year	6	<u>(4,920)</u>	<u>(4,000)</u>
NET CURRENT ASSETS		322,482	355,620
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>5,626,327</u></u>	<u><u>4,872,835</u></u>
Funds			
Unrestricted funds	7	<u><u>5,626,327</u></u>	<u><u>4,872,835</u></u>

The financial statements were approved by the Trustees on " *March* 2022 and signed on their behalf.



Trustee

KING'S COLLEGE LONDON THEOLOGICAL TRUST

CASH FLOW STATEMENT
for the Period 1 August 2020 to 31 July 2021

	Note	2021 £	2020 £
Net Cash Outflow From Operating Activities	8	<u>(173,715)</u>	<u>(167,239)</u>
Cash flows from investing activities:			
Interest and dividends		140,054	135,957
		<u>140,054</u>	<u>135,957</u>
Net cash provided by investing activities		140,054	135,957
Change in cash and cash equivalents in the year		(33,661)	(31,282)
Cash and cash equivalents brought forward		<u>314,778</u>	<u>346,060</u>
Cash and cash equivalents carried forward		<u>281,117</u>	<u>314,778</u>

KING'S COLLEGE LONDON THEOLOGICAL TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2021

1 ACCOUNTING POLICIES

The Financial and Reporting statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (FRS102) issued in January 2015, and applicable accounting standards. King's College London Theological Trust meets the definition of a public benefit entity under FRS102.

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The Trustees have reviewed cash flow forecasts for a period of twelve months from the date of approval of these financial statements, which indicate that, taking account of reasonable possible downsides such as no income for twelve months and a 10% decrease in the value of investments, the Trust will have sufficient funds, to meet its liabilities as they fall due for that period. The most significant areas of adjustment and key assumptions are to do with the carrying value of assets held by the Trust and the level of investment return and the performance of investment markets. The particular accounting policies adopted by the Trustees are described below.

Accounting convention

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments to market value.

Fund accounting

Unrestricted funds represent accumulated income and gains together with the original capital sum provided to establish the Trust. The funds are expendable at the discretion of the Trustees in the furtherance of the objects of the charity and may be used to finance both working capital and capital investment. It is the policy of the Trustees to maintain a capital fund from which to generate income to support future beneficiaries which they do by adding capital gains arising from the Trust's investments to the original sum.

Incoming resources

All income is recognised in the statement of financial activities when the conditions for receipt have been met and there is reasonable assurance of receipt. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Investment income

Investment income is accounted for when receivable.

Charitable expenditure

All expenditure is accounted for on an accrual basis. Charitable expenditure includes all expenditure directly related to the objects of the charity and comprises the following:

- Grants payable are accounted for when the Trustees have accepted a legal or moral obligation to make the grant.
- Management and administration costs relate to expenditure incurred in the management of the

KING'S COLLEGE LONDON THEOLOGICAL TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2021

charity's assets and organisational administration.

Governance costs

Governance costs comprise all costs involving the compliance with constitutional and statutory requirements, public accountability of the charity and its compliance with regulation and good practice.

Staff costs

The Trust employed no staff during the year.

Investments

Investments are valued using the bid price. Realised and unrealised gains and losses are shown separately in the appropriate section of the statement of financial activities.

	2021 £	2020 £
2 INVESTMENT INCOME		
Income from UK investments	139,470	134,057
Bank interest	584	1,900
	<u>140,054</u>	<u>135,957</u>
3 EXPENDITURE ON CHARITABLE ACTIVITIES		
Material grants payable by the Trust:		
Grants to students (3 students; 2020: 6 students)	7,060	9,676
Overseas scholarships and grants (3 student; 2020: 3 student)	111,911	84,416
Furthering both the education and vocational training of students	10,000	11,834
Furthering the vocational training of students	34,430	34,833
Management and administration	4,871	4,543
Audit fees	4,920	4,000
	<u>173,192</u>	<u>149,302</u>
4 INVESTMENTS HELD AS FIXED ASSETS		
Market value at 1 August	4,517,215	4,388,705
Net gain on revaluation	786,630	128,510
Market value at 31 July	<u>5,303,845</u>	<u>4,517,215</u>
Cost at 31 July	<u>3,648,064</u>	<u>3,648,064</u>
5 DEBTORS		
Accrued investment income	<u>46,285</u>	<u>44,842</u>
6 CREDITORS; AMOUNTS FALLING DUE WITHIN ONE YEAR		
Audit fee	<u>4,920</u>	<u>4,000</u>
	<u>4,920</u>	<u>4,000</u>

KING'S COLLEGE LONDON THEOLOGICAL TRUST

NOTES TO THE ACCOUNTS

Year ended 31 July 2021

7 FUNDS

	Capital Fund £	Income Fund £	Total Unrestricted Funds £	2019/20 £
As at 1 August	4,420,828	452,007	4,872,835	4,757,670
Net Incoming Resources	786,630	(33,138)	753,492	115,165
	<u>5,207,458</u>	<u>418,869</u>	<u>5,626,327</u>	<u>4,872,835</u>

The capital fund includes the original capital sum of £482,763 provided to establish the Trust and accumulated capital gains.

8 RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	753,492	115,165
Deduct investment income	(140,054)	(135,957)
Deduct gains/add back losses on investments	(786,630)	(128,510)
(Increase)/decrease in sundry debtors	(1,443)	(10,172)
Increase/(decrease) in sundry creditors	920	(7,765)
Net cash used in operating activities	<u>(173,715)</u>	<u>(167,239)</u>

9 KEY MANAGEMENT PERSONNEL AND RELATED PARTIES

The trustees consider the board of trustees as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year.

No trustees received reimbursement for travel expenses during the year. (Previous year: £42 one)

10 TAXATION

King's College London Theological Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.