

Charity number  
311445

Westcott House  
Report and Financial Statements  
31 August 2021

**Westcott House**  
**Report and accounts**  
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## **Westcott House**

### **Reference and Administrative Details of the College, its Trustees and Advisors for the year ended 31 August 2021**

The Trustees of the Charity are the Council of the College, as detailed in the Charter.

#### **Ex-officio Members**

##### Chairman

The Rt Revd Paul Ferguson (appointed Member) (Nov 2018, appointed Chair July 2019)

##### The Principal of the College

The Rt Revd Tim Stevens CBE (appointed December 2019, resigned December 2020)

The Revd Dr Helen Dawes (appointed November 2018 Trustee, appointed Principal October 2020)

##### The Vice Principal of the College

The Revd Dr Paul Dominiak (appointed March 2019)

##### The Honorary Treasurer

Revd Mark Bennet MA Mmath ACA (Appointed October 2020)

#### **Academic Members (who shall hold office for five years)**

##### Two members of the Divinity Faculty nominated by the Faculty

Professor Catherine Pickstock (appointed November 2013, reappointed February 2020)

Dr Nathan McDonald (appointed November 2014, reappointed February 2020)

##### Member of Academic Staff of a Federation Institution nominated by the Federation Council

The Revd Dr Alexander Jensen (appointed July 2020)

##### Appointed Representative of the Institution with Academic links with the College

Dr Frances Clemson (appointed September 2020)

##### Staff Members (5 years) (up to two members of the Academic Staff)

The Revd Annabel Shilson-Thomas (appointed November 2018, resigned 21 June 2021)

Dr Julian Gotobed (appointed September 2021)

Dr Julia Snyder (appointed September 2021)

##### Appointed Members (5 years) (not more than seven members appointed by the Council)

Mrs R. Morag Bushell (appointed February 2010, reappointed March 2015, resigned July 2021)

The Rt Revd Paul Ferguson (appointed November 2018, appointed Chair July 2019)

The Revd Canon Thomas Woodhouse (appointed November 2018)

Mr William Chapman CVO (appointed Observer March 2019, appointed Trustee October 2019)

Sir Robert Chote (appointed February 2020)

##### Nominated Members (5 years) (Not more than two members of the Gen.Synod of the C of E nominated by Gen.Syn)

The Revd Canon Dr James Walters (appointed March 2019)

## **Westcott House**

### **Reference and Administrative Details of the College, its Trustees and Advisors for the year ended 31 August 2021**

Student Members (not more than two elected annually by the students)

Mr Graham Dunn (elected December 2019, end of office December 2020)

Ms Sarah Cotterill (elected March 2020, end of office February 2021)

Mr John Bloomer (elected March 2020, re-elected March 2021)

Mr Nathanael Hayler (elected December 2020)

Mr Sam Duckhouse (elected March 2021)

#### **Observers**

The Revd Simon Gatenby (since October 2004)

Mr Michael Wolton-Carr (since February 2020)

#### **Charity Registered number**

311445

#### **Principal office**

Westcott House

Jesus Lane

Cambridge

CB5 8BP

#### **Visitor**

The Archbishop of Canterbury

#### **Independent Auditors**

Peters Elworthy & Moore

Chartered Accountants

Salisbury House

Station Road

Cambridge

CB1 2LA

#### **Bankers**

Barclays Bank plc

P O Box 2

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CB2 8BP

#### **Solicitors**

Ashton KCJ

Chequers House

77-81 Newmarket Road

Cambridge

CB5 8EU

#### **Property Agents**

Gerald Eve LLP

72 Welbeck Street

London

W1G 0AY

## **Westcott House**

**Registered number:** 311445

### **Council Members' Report for the year ended 31 August 2021**

The Council Members present their annual report together with the audited financial statements of Westcott House (the College) for the year ended 31 August 2021. The Council Members confirm that the Annual Report and financial statements of the College comply with the current statutory requirements, the requirements of the College's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting Charities" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 second edition - October 2019).

## **OBJECTIVES AND ACTIVITIES**

### **Policies and objectives**

The principal objective of the college is "to provide, carry on and maintain a College or Colleges for the preparation in accordance with the formularies of the Church of England of candidates for Holy Orders in the Church of England or in a Church in communion with the See of Canterbury."

### **Strategies for achieving objectives**

To further these objectives the College provides students with opportunities to study the CertHE, DipHE, and BA (Hons) in Theology, Ministry and Mission (awards of the University of Durham) through the Cambridge Theological Federation along with a variety of academic courses leading to BTh, DTM, BA (Tripos), MPhil and PhD qualifications with the University of Cambridge.

The College is an officially recognised institution with links both to the University of Cambridge and the University of Durham. Teaching staff are affiliated to the Divinity Faculty of the University of Cambridge.

The College is a member of the Cambridge Theological Federation, comprising eight full and four associate member institutions providing preparation for ministry and theological research. Federation members share resources and teaching (courses, seminars and supervisions) is planned jointly. In 2014, the Cambridge Theological Federation entered into a validation agreement with the University of Durham and the Archbishops' Council of the Church of England to deliver the Common Awards.

The College maintains a special link with the Manchester Diocese to place ordinands for 3 months each in Urban Priority Areas (UPA) parishes for teaching contextual theology as an integral component of their ministerial training. A part-time member of staff is based in Manchester. The College also maintains and develops links with Churches and training institutions overseas. Students have previously had the opportunity to participate on an exchange programme with Yale and Sewanee Universities in the US and the Prediger Seminar in Wittenberg, Germany. This participation has been curtailed in the last 2 years due to Covid-19

### **Activities for achieving objectives**

Westcott House provides teaching staff and facilities, residential accommodation, a chapel, a continuously updated library, access to online resources, dining hall and other communal facilities. The teaching staff, augmented by local clergy both in Cambridge and in Manchester, provides tutorial and supervisory support for all students. A chaplain provides individual spiritual and pastoral support.

There is emphasis on spiritual and personal formation alongside academic learning, encouraging staff and students to grow in holiness, wisdom, compassion and openness.

In preparation for ministry in churches and the wider community, students in their first two years of training are attached to a local parish or university college chapel to gain liturgical and pastoral experience. During their training, which can last up to four years, all students complete an 8 to 10 week full time parish placement. For many of our students this takes place in Manchester where we maintain a house in partnership with the Diocese of Manchester. This partnership was established over 25 years ago. During the ordinands' sustained period in a ministry context, students participate in a range of pastoral, social, liturgical and educational activities in local churches to enable them to develop their readiness to start in public ordained ministry. Westcott House pays attention both in the classroom and in practical placements to developing the awareness and skills to promote community cohesion including between people of different faiths.

## **Westcott House**

**Registered number:** 311445

### **Council Members' Report for the year ended 31 August 2021**

#### **Main activities undertaken to further the charity's purposes for the public benefit**

In planning and in carrying out the college's activities for the year, the Council has taken account of the published Guidance of the Charity Commission concerning Public Benefit (pursuant to section 4 of the Charities Act 2011).

Through the residential programmes, Westcott House prepares men and women to be effective in serving both congregations across the country, and the wider communities in which they are set. We place particular store in preparing ordinands to exercise their public, pastoral and spiritual responsibilities to the whole population.

As well as training those going to be public ministers, the teaching staff members themselves contribute to the wider church and community, through writing and research and assisting in local churches.

The Council has a policy of encouraging conference activity outside the teaching terms, to generate additional income and to defray some of the fixed costs of the enterprise. The conference activity is centred on religious and educational programmes, where organisational aims are consistent with the College's objectives. Accommodation is also provided for visitors to Cambridge.

## **ACHIEVEMENTS AND PERFORMANCE**

### **Review of activities**

The early part of the year covered by this report saw the final stages of the search for a new Principal and the appointment of the Rev Dr Helen Dawes, who formally took up the position in February 2021.

The review of TEIs by the Church nationally continued and the Principal and others have been and are pro-actively engaging with it. There is no firm date for the review's completion, doubtless complicated by the fact that COVID's long-term impact on the economic context for the Church of England is still hard to discern definitively. Later developments in the review look less unpromising for residential TEIs than was the case in its earlier stages.

Shortly after the end of the period covered by this report, Michaelmas term 2021 saw the return of the House to something approaching normal communal and academic life, albeit with some significant safeguards/restrictions still in place. The resilience and flexibility of the whole Westcott community during a year and a half dominated by COVID and its challenges should be noted and applauded.

During the year 2020-21, there were 48 students preparing for public ministry in the Church of England ranging in age from early twenties to late fifties. Students came in the main from England, with a small number from overseas. 23 students were studying for CertHE, DipHE, BA (Hons) in Theology, Ministry and Mission and graduate and post-graduate diplomas; 24 were studying for BTh, BA (Tripos), MPhil and PhD qualifications with the University of Cambridge. 1 student was continuing a PhD from Birmingham university. Of these students, 21 left at the end of the academic year. 19 went on to serve as curates in parishes across England.

In addition there were 3 independent students ranging in age from thirties to early sixties. All 3 independent students came from the UK. 1 student was studying CertHE modules with a graduate diploma in Theology, Ministry and Mission (Durham); 1 was studying for a Graduate Diploma in Theology, Ministry and Mission (Durham) part-time and 1 was studying DTM and MPhil qualifications with the University of Cambridge.

## **FINANCIAL REVIEW**

### **Financial results**

During 2020-21 Westcott House returned a deficit of £479,000 (2020: surplus of £744,000). Levels of income from charitable activities decreased to £896,000 (2020: £976,000). Expenditure on charitable activities increased to £1,528,000 (2020: £1,425,000). Donation and legacy income was £60,000 in the year, falling significantly as there were no further contributions to the development fund (2020: £1,044,000).

## **Westcott House**

**Registered number:** 311445

### **Council Members' Report for the year ended 31 August 2021**

#### **Going concern**

After reviewing budgets and cash flow forecasts to 31 August 2026, the Council members are satisfied that the College will have adequate resources to continue in operational existence for the immediate future. These resources have been generated by the disposal of an asset in December 2020 and the more effective management of cash flow. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The long-term future of the College is less certain. The House has no permanent endowment and receives no core funding.

Due to the historic nature of most of its buildings, the College has an ongoing programme of maintenance alongside its day to day costs. Significant work is still needed, notwithstanding recent substantial refurbishments, to bring the whole site up to modern standards. A Condition Survey has recently been completed which indicates a minimum necessary spend of £0.75m plus VAT and fees over the next five years; this will require serious detailed attention.

The College has previously implemented a restructuring which has reduced its cost base going forward. It is unlikely that further significant savings can be made without fundamentally compromising College operations.

Most funding for the House's activities derives from grants for the tuition and maintenance of ordinands while in residence. The House currently receives no central funding from the Church and during the year received £9,141 tuition fees and £5,745 maintenance allowance per capita (based on full time equivalent) for each student, a level of funding that is less than general undergraduate tuition fee levels and significantly below postgraduate fee levels.

Funding previously paid through the Ministry Division of the Archbishops' Council of the Church of England have for some years now been devolved to individual dioceses. Each diocese has its own requirements and many dioceses are choosing to fund part time training, allowing students to continue in part time work, rather than committing to a full-time residential training programme. This is further contributing to the unpredictability of year on year student numbers and is a matter that is being addressed through a thorough re-examination of the College's range of training offers.

College income is driven predominantly from student numbers that vary each year. Student numbers choosing a full-time residential route to the ministry for 2021-22 are expected to remain at a level similar to 2020-21.

Further details regarding the adoption of the going concern basis can be found in the accounting policies.

#### **Investment policy and performance**

Westcott House did not hold any investments at the end of the year (2020: £none)

#### **Reserves policy**

The College had total funds of £14,910,000 at 31 August 2021 (2020: £15,389,000). The free reserves position excluding fixed assets and associated borrowings and pension reserve stood at £497,000 at the year end.

The terms of the College's restricted funds have been reviewed, and funds currently shown as permanent endowment are in line with the original donors' wishes.

After returning the Colleges' free reserves to a positive level the finance committee has been tasked to deliver a robust and realistic reserves policy. A review is ongoing and forms part of programmed work for the upcoming year.

## **Westcott House**

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### **Council Members' Report for the year ended 31 August 2021**

#### **Risk management**

The College contracts with Peninsula Business Services to advise on risk management and to conduct annual inspections as required. The Council has a policy of keeping the risk register under regular review.

The College continues to identify the following as key risks: Student numbers; loss of key academic staff; financial shortfalls; maintenance obligations of our historic buildings and reputational risk. Risk to income and operation due to COVID-19 is constantly monitored with several strategies and mitigations already implemented.

The College is seeking to increase student numbers by ensuring that we continue to deliver training which fits the needs of a wider range of students than hitherto, while maintaining high educational standards. We continue to believe however in the importance of the House offering students the option of a residential programme of theological training and formation.

Plans to increase income include alumni fundraising and increasing student numbers. Additional pathways have been approved and will be offered in the 2022/23 year. More commercial activities are being explored, and some already delivered, with a moderate actual and expected increase in income

The College has robust policies and procedures in place in relation to the protection of vulnerable people.

#### **PLANS FOR FUTURE PERIODS**

##### **Future developments**

The Council continues to undertake a conservative view towards further intended projects which presented an unsupportable level of financial risk and for which capital sums are not realistically anticipated to be available.

##### **Fundraising**

For much of 2020 and 2021, systematic charitable fundraising was a largely unrealistic option for obvious reasons. With the abating of the pandemic, it once again becomes possible, as does a concerted attempt to strengthen alumni relations. This will be a priority for the Council and its relevant committees over the coming year. It must be recognised however that fundraising will doubtless remain challenging in the foreseeable future with e.g. travel restrictions limiting personal contact internationally.

##### **Key management and personnel remuneration**

The key management personnel of the College are those in charge of directing and controlling the College and running and operating the College on a day to day basis. Key management personnel are considered to be the Council Members plus Director of Finance (observer). Four employees of the College are Council Members, as stipulated in the Royal Charter and Supplemental Charters: The Principal and Vice Principal of the College, (ex officio); and two members of the academic staff. These Council Members receive remuneration as employees, but do not receive any emolument in their capacity as Council Members.

All Council Members give of their time freely and no other members were remunerated in the period. Details of trustee expenses and related party transactions are disclosed in the notes to the accounts.

Trustees are required to disclose all relevant interests and register them with the Council and in accordance with the College's policy withdraw from decisions where a conflict of interest arises.

The pay of the key management personnel is reviewed annually and normally increased in accordance with average earnings. The remuneration is bench marked with charities of a similar size and activity (for the roles where the holder is required to be a priest, that includes the stipend and emoluments of clergy carrying a commensurate level of responsibility) to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

## **Westcott House**

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### **Council Members' Report for the year ended 31 August 2021**

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

Westcott House is incorporated by Royal Charter of 29 November 1960 as amended by Supplemental Charters of 21 June 1979 and 20 April 1998.

The Charter provides that the income of the College shall be applied solely towards the objects of the College, one of which states "that for these purposes and objects generally to do all such acts and things as are or may be termed incidental or conducive to the attainment of any of the ... purposes and objects of the college or the exercise of any of its powers."

### **Method of appointment or election of Council Members**

The management of the College is the responsibility of the Council members who are elected and co-opted under the terms of the Royal Charter. New Appointed Members of the Council are recruited according to criteria agreed by Council.

A number of measures have been put in place to strengthen systems and practice of governance.

### **Organisational structure and decision making**

The members of the Council have overall management control and oversight. The Finance Committee, which includes members with relevant professional expertise, has delegated responsibility for financial decisions, and reports to the Council each term.

The Principal is responsible for the academic and pastoral organisation, appointment of staff, and general wellbeing of the College.

Domestic and Catering facilities, together with Administration, are the responsibility of the Domestic Bursar. Financial management is the responsibility of the Director of Finance.

### **Council Members' responsibilities statement**

The Council Members are responsible for preparing the Council Members' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Council Members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the incoming resources and application of resources of the College for that period. In preparing these financial statements, the Council Members are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the 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 College will continue in operation.

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**Council Members' Report for the year ended 31 August 2021**

The Council Members are responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Council Members, on 13 January 2022 and signed on their behalf by:



**William Chapman**  
**Vice Chair of the Council**

**Westcott House**  
**Independent auditors' report**  
**to the Council Members of Westcott House**

**Opinion**

We have audited the financial statements of Westcott House (the 'charitable college') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable college's affairs as at 31 August 2021 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; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis of 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable college in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Council Members 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 college's ability to continue as a going concern for a period of at least twelve months from when the financial statements are

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

**Other information**

The Council Members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Westcott House**  
**Independent auditors' report**  
**to the Council Members of Westcott House**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Council Members' report is inconsistent in any material respect with the financial statements; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of Trustees**

As explained more fully in the council members' responsibilities statement, the Council Members are responsible for the preparation of financial statements which give a true and fair view. and for such internal control as the Council Members 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 Council Members are responsible for assessing the charitable College'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 Council Members either intend to liquidate the charitable College's or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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 Auditors' 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable college through discussions with Council Members 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 college and how the charitable college is complying with that framework;
- we obtained an understanding of the charitable college's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;

**Westcott House**  
**Independent auditors' report**  
**to the Council Members of Westcott House**

- we identified which laws and regulations were significant in the context of the charitable college. The Laws and regulations we considered in this context were the Charities Act 2011 and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable college's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit
- we reviewed the minutes of Council Members' meetings to identify and references to non-compliances with laws and regulations.

We assessed the susceptibility of the charitable college'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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Council Members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Westcott House  
Independent auditors' report  
to the Council Members of Westcott House**

**Use of our Report**

This report is made solely to the Council Members in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Council Members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council Members for our audit work, for this report, or for the opinions we have formed.

*Peters Elworthy & Moore*

**Peters Elworthy & Moore**

Chartered Accountants  
Statutory Auditors

Salisbury House  
Station Road  
Cambridge  
CB1 2LA

Date: 31 January 2022

**Westcott House**  
**Statement of Financial Activities**  
**for the year ended 31 August 2021**

	Notes	Endowment Funds 2021 £000	Restricted Funds 2021 £000	Unrestricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
<b>Income and endowments from:</b>						
Donations and legacies	2	-	9	51	60	1,044
Charitable activities	3	-	58	838	896	976
Other trading activities	4	-	2	91	93	49
Investments	5	-	-	-	-	1
Other income	6	-	-	50	50	36
<b>Total Income and endowments</b>		-	69	1,030	1,099	2,106
<b>Expenditure on:</b>						
Raising Funds						
Voluntary Income	7	-	-	8	8	8
Fundraising	4	-	-	1	1	2
Charitable activities	8	-	49	1,479	1,528	1,425
<b>Total Expenditure</b>		-	49	1,488	1,537	1,435
<b>Net Income / (expenditure) before Investment Gains / (losses)</b>		-	20	(458)	(438)	671
Net gains / (losses) on investments	14	-	-	-	-	-
<b>Net Income / (expenditure) before Transfers</b>		-	20	(458)	(438)	671
Transfers between funds	19	-	(2,116)	2,116	-	-
<b>Net Income / (expenditure) before Other recognised gains / (losses)</b>		-	(2,096)	1,658	(438)	671
Loss on disposal of fixed assets	13	-	-	(42)	(42)	-
Other gains	26	-	-	1	1	73
<b>Net Movement of funds</b>		-	(2,096)	1,617	(479)	744
<b>Reconciliation of Funds</b>						
Total funds brought forward		285	2,307	12,797	15,389	14,645
Total funds carried forward		285	211	14,414	14,910	15,389

All activities relate to continuing activities.

The notes on pages 16 to 33 form part of these financial statements.

**Westcott House  
Balance Sheet  
as at 31 August 2021**

	Notes	2021 £000	2020 £000
<b>Fixed assets</b>			
Tangible assets	13	14,670	15,706
<b>Current assets</b>			
Stocks	14	3	3
Debtors	15	98	75
Cash at bank and in hand		989	583
		<u>1,090</u>	<u>661</u>
<b>Creditors: amounts falling due within one year</b>	16	(382)	(461)
<b>Net current assets</b>		<u>708</u>	<u>200</u>
<b>Total assets less current liabilities</b>		<u>15,378</u>	<u>15,906</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(459)	(498)
<b>Provisions for liabilities</b>			
Other provisions	25	(9)	(19)
<b>Net assets</b>		<u>14,910</u>	<u>15,389</u>
<b>Charity Funds</b>			
Endowment Funds	18	285	285
Restricted Funds	18	211	2,307
Unrestricted Funds	18	14,414	12,797
<b>Total funds</b>		<u>14,910</u>	<u>15,389</u>

*William Chapman*

**William Chapman**

**Vice Chair of the Council**

Approved by the board on 13 January 2022

The notes on pages 16 to 33 form part of these financial statements.

**Westcott House**  
**Statement of Cash Flows**  
**for the year ended 31 August 2021**

	<b>Notes</b>	<b>2021</b> <b>£000</b>	<b>2020</b> <b>£000</b>
<b>Cash flows from Operating activities</b>			
Net cash generated by operating activities	23	<u>(156)</u>	<u>1,126</u>
<b>Cash flows from Investment activities:</b>			
Dividends, interest and rents from investments		-	1
Purchase of tangible fixed assets		(147)	(929)
Proceeds from sale of tangible fixed assets		737	-
Proceeds from sale of fixed asset investments		-	-
<b>Net cash used in Investment activities:</b>		<u>590</u>	<u>(928)</u>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(28)	(8)
Cash inflows from new borrowings		-	250
<b>Net cash (Used in)/provided by financing activities</b>		<u>(28)</u>	<u>242</u>
<b>Change in cash equivalents in the year</b>			
Cash and cash equivalents brought forward		406	440
Cash and cash equivalents brought forward		583	143
Cash and cash equivalents carried forward		<u>989</u>	<u>583</u>

The notes on pages 16 to 33 form part of these financial statements.

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**1 ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition October 2019 – effective 1 January 2019) and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

Westcott House constitutes a public benefit entity as defined by FRS 102.

**1.2 FUND ACCOUNTING**

General funds are unrestricted funds which are available for use at the discretion of the Council Members in furtherance of the general objectives of the College and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Council Members for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the College for particular purposes. The costs of raising and administering such funds are charges against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

**1.3 GOING CONCERN**

The Charity incurred a deficit for the year of £479,000. There were no significant donations during the year. The unrestricted loss was £499,000 (2020: £259,000). However the unrestricted loss before depreciation and other recognised gains/losses was £54,000 (2020: £87,000). Student numbers stabilised in the year but ongoing curtailment of income and imposed constraints due to Covid-19 continued. Additional revenue streams have been established with letting out of the newly refurbished G block to both students in term times and casual lets during vacation periods. However income is still below realistically achievable levels. No conferences were held during the year and only one small event was hosted during the summer of 2021. The investment in new tutorial positions has significantly increased expenditure over the previous year. This expenditure was necessary to strengthen the academic resource within the House. The new Principal took up post in February 2021. Student numbers for 2021/22 remain stable but looking towards 2022/23 and beyond new, learning pathways are being established and student numbers are anticipated to increase.

The Charity continues to regularly monitor and review its finances and plans. Budgets are set each year with forecasts revised during the year. Council members, under the auspices of the Finance committee, have reviewed and considered cashflow projections and models through to August 2026. Discussions around fund raising possibilities continue, a condition survey of the site was commissioned and a report has now been published and being considered, costs are continuously monitored and controlled and new income opportunities are being sought and developed.

The Council Members consider that there are no material uncertainties about the Charity's ability to continue as a going concern.

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**1.4 INCOME**

All income is recognised once the College has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the College is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the College has been notified of the executor's intention to make a distribution. Where legacies have been notified to the College, or the College is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

**1.5 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the College and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the College's educational operations, including support costs and costs relating to the governance of the College apportioned to charitable activities.

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Land and buildings, including fit out costs, forming the main site are valued on a fair value basis, with the value of operational land equating to market value on the assumption of a continuation of the existing use. The valuation is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

Tangible fixed assets are carried at valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION (continued)**

Freehold land	- not depreciated
Freehold building-main site	- over 85-90 years straight line
Freehold buildings-off site	- over 50 years straight line
Property fit out	- over 10-30 years straight line
Furniture, fittings & equipment	- 10%-33% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstance indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

**1.7 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. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gain/(losses) on investments' in the statement of financial activities.

**1.8 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.9 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.

**1.10 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.

**1.11 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 probably 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 College anticipates it will pay to settle the debt or the amount it has received as advanced payments for the good 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.

**1.12 FINANCIAL INSTRUMENTS**

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**1.13 PENSIONS**

**Church of England Funded Pension Scheme**

The College participates in a defined benefit pension scheme. Contributions payable to this scheme are charged to the statement of financial activities so as to spread the cost of the pension over the employee's expected working life. The pension charge is calculated on the basis of actuarial advice. The actuarial valuations are only prepared annually to 31 December and the College recognises its share based on the valuation following each financial year end as this is not considered to be materially different to a valuation as at 31 August. These contributions are invested separately from the College's assets.

**Church Workers Pension Scheme**

The College also operates a defined contributions pension scheme. The pension charge represents the amounts payable by the College to the fund in respect of the year. These contributions were invested separately from the College's assets.

**1.14 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Preparation of the financial statements requires management to make significant judgements and estimates. The key areas in the financial statements where these judgements and estimates have been made are as follows:

- Depreciation on fixed assets
- Fair value of investments

**2 Income from donations and legacies**

	Endowment Funds 2021 £000	Restricted Funds 2021 £000	Unrestricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Donations	-	9	25	34	1,031
Legacies	-	-	26	26	13
		9	51	60	1,044
Total 2020	-	999	45	1,044	

**3 Income from Charitable Activities**

	Endowment Funds 2021 £000	Restricted Funds 2021 £000	Unrestricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Teaching and training	-	49	522	571	645
Accommodation	-	9	316	325	331
		58	838	896	976
Total 2020	-	83	893	976	

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**4 Ancillary trading activities**

	Endowment Funds 2021 £000	Restricted Funds 2021 £000	Unrestricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Events and other lettings - income	-	2	91	93	49
	-	2	91	93	49
<b>Events and other lettings - expenses</b>					
Direct expenses	-	-	1	1	2
Staff costs	-	-	-	-	-
	-	-	1	1	2
Net income from trading activities	-	-	90	92	47

In 2021 and 2020 no allocation of other expenses or costs were allocated to trading activities.

**5 Investment income**

	Endowment Funds 2021 £000	Restricted Funds 2021 £000	Unrestricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Investment income	-	-	-	-	-
Interest income	-	-	-	-	1
	-	-	-	-	1
Total 2020	-	-	1	1	

**6 Other income**

	Unrestricted Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000
Other incoming resources	49	49	36
Sundry income	1	1	-
	50	50	36
Total 2020	36	36	

Other incoming resources represent amounts receivable under the Coronavirus Job Retention Scheme (CJRS) of £49,000 (2020 - £36,000) to cover salaries of furloughed staff

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**7 Expenditure on Raising Voluntary Income**

	<b>Unrestricted Funds 2021 £000</b>	<b>Total Funds 2021 £000</b>	<b>Total Funds 2020 £000</b>
Appeal costs	-	-	-
Appeal staff costs	8	8	8
	<u>8</u>	<u>8</u>	<u>8</u>
Total 2020	<u>8</u>	<u>8</u>	

**8 Expenditure on Charitable Activities**

	<b>Activities Undertaken directly (note 9) 2021 £000</b>	<b>Support &amp; Governance Costs (note 10) 2021 £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Education	545	184	729	752
Welfare	153	17	170	203
Property	561	68	629	470
	<u>1,259</u>	<u>269</u>	<u>1,528</u>	<u>1,425</u>
Total 2020	<u>1,134</u>	<u>291</u>	<u>1,425</u>	

**9 Direct Costs**

	<b>Education £000</b>	<b>Welfare £000</b>	<b>Property £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Academic fees	207	-	-	207	284
Establishment costs	14	5	106	125	127
Other staff costs	16	38	-	54	42
Catering costs	-	31	-	31	44
Interest cost on pension scheme	-	-	-	-	2
Staff costs	308	79	51	438	381
Depreciation	-	-	404	404	254
	<u>545</u>	<u>153</u>	<u>561</u>	<u>1,259</u>	<u>1,134</u>
Total 2020	<u>552</u>	<u>185</u>	<u>397</u>	<u>1,134</u>	

**10 Support and Governance Costs**

	<b>Education £000</b>	<b>Welfare £000</b>	<b>Property £000</b>	<b>Total 2021 £000</b>	<b>Total 2020 £000</b>
Establishment costs	76	7	28	111	128
Auditor's remuneration	7	1	3	11	12
Auditor's remuneration - non audit	-	-	-	-	3
Trustees expenses	-	-	-	-	1
Staff costs	101	9	37	147	147
Depreciation	-	-	-	-	-
	<u>184</u>	<u>17</u>	<u>68</u>	<u>269</u>	<u>291</u>
Total 2020	<u>200</u>	<u>18</u>	<u>73</u>	<u>291</u>	

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

<b>11 Net Income/expenditure</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
This is stated after charging:		
Depreciation of owned fixed assets owned by the Charity	404	254
Auditors' remuneration for audit services	11	12
Auditors' remuneration for other services	-	3
	<u>          </u>	<u>          </u>

<b>12 Staff costs</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	491	451
Social security costs	38	32
Other pension costs	64	53
	<u>          </u>	<u>          </u>
	<u>593</u>	<u>536</u>

<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Teaching	7	5
Fundraising	1	1
Other	11	12
	<u>          </u>	<u>          </u>
	<u>19</u>	<u>18</u>

No employees were paid in excess of £60,000 (2020: none).

Five employees of the charity are council members, as stipulated in the Royal Charter and Supplemental Charters: The Principal and Vice Principal of the College, (ex officio); two (one in 2021) members of the academic staff; the Bursar (appointed). These council Members receive remuneration as employees, but do not receive any emolument in their capacity as council members. During the year the remuneration for these members totalled £88,000 (2020 : £90,000) and employer's pension contributions totalled £24,000 (2020 : £20,000).

Key management personnel are considered to be the council members, as above, plus the Bursar (observer) and Director of Finance. During the year the remuneration for these personnel, including pension contributions, totalled £184,000 (2020 : £163,000).

During the year, one (2020 : two) Council Members were reimbursed for travel expenses totalling £28 (2020 : £1,000).

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**13 Tangible fixed assets**

	Freehold property	Offsite freehold property	Asset under construction	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
At 1 September 2020	12,021	775	2,010	2,364	17,170
Additions	-	-	43	104	147
Transfer	2,053	-	(2,053)	-	-
Disposals	-	(775)	-	(42)	(817)
At 31 August 2021	<u>14,074</u>	<u>-</u>	<u>-</u>	<u>2,426</u>	<u>16,500</u>
<b>Depreciation</b>					
At 1 September 2020	578	21	-	865	1,464
Charge for the year	243	-	-	161	404
On disposals	-	(21)	-	(17)	(38)
At 31 August 2021	<u>821</u>	<u>-</u>	<u>-</u>	<u>1,009</u>	<u>1,830</u>
<b>Carrying amount</b>					
At 31 August 2021	<u>13,253</u>	<u>-</u>	<u>-</u>	<u>1,417</u>	<u>14,670</u>
At 31 August 2020	<u>11,443</u>	<u>754</u>	<u>2,010</u>	<u>1,499</u>	<u>15,706</u>

Included in land and buildings is freehold land at a cost/valuation of £6,339,000 (2020: £6,339,000) which is not depreciated.

The main site properties, including land, were valued at 31 August 2014 by Gerald Eve LLP, a registered firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of RICS Valuation - Professional Standards, January 2014 amended and Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice 'Accounting for Further and Higher Education'.

The offsite freehold property including associated fixtures and fittings was disposed of during the year. The disposal resulted in a loss of £42,000.

<b>14 Stocks</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Kitchen and housekeeping stock	<u>3</u>	<u>3</u>
<b>15 Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	6	37
Other debtors	-	-
Prepayments and accrued income	<u>92</u>	<u>38</u>
	<u>98</u>	<u>75</u>

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

<b>16 Creditors: amounts falling due within one year</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank loans	47	36
Other loan	200	200
Trade creditors	33	69
Other taxes and social security costs	20	18
Other creditors	3	2
Accruals and deferred income	79	136
	<u>382</u>	<u>461</u>

Bank mortgage loan disclosed under creditors falling due within 1 year is secured by the charity on certain of its freehold properties. It comprises a 20-year loan drawn in 2016 which has a variable rate of 2.1% over the bank's base rate and is repayable by instalments.

Bank loans includes a Government backed 'bounce back' loan, which was drawn down in July 2020. This loan is 100% guaranteed by the Government and there were no fees or interest payable in the first 12 months. After this 12-month period, interest is charged at 2.5% per annum.

Other loan is an unsecured loan of £200,000 received from Church Body of the Hong Kong Sheng Kung Hui. The loan has a repayment date of February 2025 but repayable on demand, with interest charged at a rate of 0% and is not payable by instalments

<b>17 Creditors: amounts falling due after one year</b>	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Bank loans	<u>459</u>	<u>498</u>
Creditors include amounts not wholly repayable within 5 years as follows:		
	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Repayable by instalments	<u>271</u>	<u>307</u>

Bank mortgage loan disclosed under creditors falling due after 1 year is secured by the charity on certain of its freehold properties. It comprises a 20-year loan drawn in 2016 which has a variable rate of 2.1% over the bank's base rate and is repayable by instalments.

Bank loans includes a Government backed 'bounce back' loan, which was drawn down in July 2020. This loan is 100% guaranteed by the Government and there were no fees or interest payable in the first 12 months. After this 12-month period, interest is charged at 2.5% per annum.

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**18 Statement of Funds**

<b>Current Year</b>	<b>Brought Forward £000</b>	<b>Income £000</b>	<b>Resources expended £000</b>	<b>Transfers In/out £000</b>	<b>Gains/ (losses) £000</b>	<b>Balance 2021 £000</b>
<b>Designated Funds</b>						
Fixed asset fund	13,156	-	-	770	-	13,926
<b>General Funds</b>						
General Fund	(359)	1,030	(1,488)	1,346	(41)	488
<b>Total Unrestricted funds</b>	<b>12,797</b>	<b>1,030</b>	<b>(1,488)</b>	<b>2,116</b>	<b>(41)</b>	<b>14,414</b>
<b>Endowment Funds</b>						
Endowment Fund (note 21)	285	-	-	-	-	285
<b>Restricted funds</b>						
Restricted funds (note 22)	2,307	69	(49)	(2,116)	-	211
<b>Total of Funds</b>	<b>15,389</b>	<b>1,099</b>	<b>(1,537)</b>	<b>-</b>	<b>(41)</b>	<b>14,910</b>

<b>Prior Year</b>	<b>Brought Forward £000</b>	<b>Income £000</b>	<b>Resources expended £000</b>	<b>Transfers In/out £000</b>	<b>Gains/ (losses) £000</b>	<b>Balance 2020 £000</b>
<b>Designated Funds</b>						
Fixed asset fund	13,196	-	-	(40)	-	13,156
<b>General Funds</b>						
General Fund	(140)	1,010	(1,351)	49	73	(359)
<b>Total Unrestricted funds</b>	<b>13,056</b>	<b>1,010</b>	<b>(1,351)</b>	<b>9</b>	<b>73</b>	<b>12,797</b>
<b>Endowment Funds</b>						
Endowment Fund (note 21)	285	-	-	-	-	285
<b>Restricted funds</b>						
Restricted funds (note 22)	1,304	1,096	(84)	(9)	-	2,307
<b>Total of Funds</b>	<b>14,645</b>	<b>2,106</b>	<b>(1,435)</b>	<b>-</b>	<b>73</b>	<b>15,389</b>

**19 FUNDS**

**ENDOWMENT FUNDS**

The endowment funds were set up from monies gifted to the Charity. The Funds have been invested in order to generate income in the form of dividends and interest to be used for the purposes detailed below. The capital element of the funds cannot be expended

**Inge Bequest Fund**

The income generated is included in the General Fund. The Fund was set up to provide bursaries for training for Orders in the Church of England, provided the student is not tied to any diocese

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**19 FUNDS (continued)**

**Purvis Bequest Fund**

The income generated is included in the General Fund. The income is available to help towards the Principal's stipend

**Specific Funds**

Endowment Funds where the income generated is specific are included below

**Endowment Fund**

The Endowment Fund was set up with the intention that the capital element should be preserved. The income generated is split between the specific restricted funds and unrestricted funds

**RESTRICTED FUNDS**

**Ministry Division Academic Fees**

The fund represents monies received from the Ministry Division to contribute to academic tuition fees for students studying at Westcott House

**Cunningham Bequest**

The fund is used to provide bursaries for Old Marlburian and Wykehamist students training for ministry or other student in training for ministry

**Cunningham Memorial Fund**

The fund was set up to provide monies for refresher courses

**Arthur Swingler Fund**

The income is used to provide bursaries of grants to students particularly in the case of illness

**Montefiore Prize Fund**

The fund was set up to provide prizes, awarded at the discretion of the Principal and Council

**Bushby Memorial Fund**

The purpose of this fund is to assist students in Greek testament studies

**Haworth Prize Fund**

The Fund was established to provide prizes awarded at the discretion of the Principal and the Council awarded in books for the best performance in Federation Exams

**Jennings Fund**

The purpose of the Fund is to assist students to take a course of studies at Westcott House

**Principal's Discretionary Fund**

The Fund was set up with the intention that the capital element should be preserved. The income generated is used at the Principal's discretion in furtherance of the charity's objectives

**Southern African Bursary Fund**

The Fund was set up in 1997 from a donation of £25,000. The income generated is used to provide bursaries towards maintenance and tuition costs for one term's study at Westcott House for clergy from the Anglican Church of the Province of Southern Africa

**The Peter Walker China Bursary**

This was set up from a donation received in 2004 to provide living expenses and tuition fees for candidates from Hong Kong and China

**Bursary Fund**

Set up in 2011 the fund contributes towards the academic fees for those in training for Ministry

**Building Development Fund**

The Fund was set up in 2015 for the new planned development

**G&H Development Fund**

The Fund was set up from a donation in 2018 to contribute to the refurbishment and transformation of Blocks G&H to improve the living conditions of students at Westcott House

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**20 Analysis of Net Assets between funds**

<b>Current Year</b>	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	285	-	14,385	14,670
Fixed asset investments	-	-	-	-
Current Assets	-	211	879	1,090
Creditors due within one year	-	-	(382)	(382)
Creditors due in more than one year	-	-	(459)	(459)
Provisions for liabilities and charges	-	-	(9)	(9)
	<u>285</u>	<u>211</u>	<u>14,414</u>	<u>14,910</u>

<b>Prior Year</b>	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total</b>
	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>	<b>Funds</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Tangible fixed assets	285	1,966	13,455	15,706
Fixed asset investments	-	-	-	-
Current Assets	-	341	320	661
Creditors due within one year	-	-	(261)	(261)
Creditors due in more than one year	-	-	(698)	(698)
Provisions for liabilities and charges	-	-	(19)	(19)
	<u>285</u>	<u>2,307</u>	<u>12,797</u>	<u>15,389</u>

**21 Endowment Funds**

<b>Current Year</b>	<b>Balance at</b>	<b>Income</b>	<b>Transfers</b>	<b>Revaluation</b>	<b>Balance at</b>
	<b>1 September</b>			<b>of</b>	<b>31 August</b>
	<b>2020</b>	<b>£000</b>	<b>£000</b>	<b>Investments</b>	<b>2021</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>GENERAL FUNDS</b>					
Inge Bequest	30	-	-	-	30
Purvis Bequest	71	-	-	-	71
Unrestricted units	3	-	-	-	3
	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
<b>SPECIFIC FUNDS</b>					
Cunningham Bequest	10	-	-	-	10
Cunningham Memorial	7	-	-	-	7
Arthur Swingler Fund	20	-	-	-	20
Montefiore Prize	4	-	-	-	4
Bushby Memorial	3	-	-	-	3
Haworth Prize	1	-	-	-	1
Jennings Fund	12	-	-	-	12
Principal's Discretionary Fund	48	-	-	-	48
	<u>105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>
<b>UNINVESTED FUNDS</b>					
Unrestricted	76	-	-	-	76
	<u>285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**21 Endowment Funds (continued)**

<b>Prior Year</b>	<b>Balance at 1 September 2019 £000</b>	<b>Income £000</b>	<b>Transfers £000</b>	<b>Revaluation of Investments £000</b>	<b>Balance at 31 August 2020 £000</b>
<b>GENERAL FUNDS</b>					
Inge Bequest	30	-	-	-	30
Purvis Bequest	71	-	-	-	71
Unrestricted units	3	-	-	-	3
	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
<b>SPECIFIC FUNDS</b>					
Cunningham Bequest	10	-	-	-	10
Cunningham Memorial	7	-	-	-	7
Arthur Swingler Fund	20	-	-	-	20
Montefiore Prize	4	-	-	-	4
Bushby Memorial	3	-	-	-	3
Haworth Prize	1	-	-	-	1
Jennings Fund	12	-	-	-	12
Principal's Discretionary Fund	48	-	-	-	48
	<u>105</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105</u>
<b>UNINVESTED FUNDS</b>					
Unrestricted	76	-	-	-	76
	<u>285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>

**22 Restricted Funds**

<b>Current Year</b>	<b>Balance at 1 September 2020 £000</b>	<b>Income £000</b>	<b>Resources expended £000</b>	<b>Transfers £000</b>	<b>Revaluation of Investments £000</b>	<b>Balance at 31 August 2021 £000</b>
<b>MINISTRY DIVISION FUNDS</b>						
Ministry Division academic fee	-	49	(49)	-	-	-
<b>SPECIFIC FUNDS</b>						
Cunningham Bequest	10	1	-	-	-	11
Cunningham Memorial	7	1	-	-	-	8
Arthur Swingler Fund	15	1	-	-	-	16
Montefiore Prize	5	-	-	-	-	5
Bushby Memorial	3	-	-	-	-	3
Haworth Prize	1	-	-	-	-	1
Jennings Fund	5	1	-	-	-	6
Southern African Bursary Fund	84	4	-	-	-	88
Peter Walker China Bursary	18	-	-	-	-	18
Bursary Fund	1	8	-	(9)	-	-
Principal's Discretionary Fund	8	4	-	-	-	12
G&H Development Fund	2,150	-	-	(2,107)	-	43
<b>Total Restricted</b>	<u>2,307</u>	<u>69</u>	<u>(49)</u>	<u>(2,116)</u>	<u>-</u>	<u>211</u>

**Westcott House**  
**Notes to the Accounts**  
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**22 Restricted Funds (continued)**

<b>Prior Year</b>	<b>Balance at 1 September 2019 £000</b>	<b>Income £000</b>	<b>Resources expended £000</b>	<b>Transfers £000</b>	<b>Revaluation of Investments £000</b>	<b>Balance at 31 August 2020 £000</b>
<b>MINISTRY DIVISION FUNDS</b>						
Ministry Division academic fee	-	83	(83)	-	-	-
<b>SPECIFIC FUNDS</b>						
Cunningham Bequest	9	1	-	-	-	10
Cunningham Memorial	6	1	-	-	-	7
Arthur Swingler Fund	13	2	-	-	-	15
Montefiore Prize	5	-	-	-	-	5
Bushby Memorial	3	-	-	-	-	3
Haworth Prize	1	-	-	-	-	1
Jennings Fund	4	1	-	-	-	5
Southern African Bursary Fund	80	4	-	-	-	84
Peter Walker China Bursary	18	-	-	-	-	18
Bursary Fund	3	7	-	(9)	-	1
Building Development Fund	-	1	(1)	-	-	-
Principal's Discretionary Fund	2	6	-	-	-	8
G&H Development Fund	1,160	990	-	-	-	2,150
<b>Total Restricted</b>	<b>1,304</b>	<b>1,096</b>	<b>(84)</b>	<b>(9)</b>	<b>-</b>	<b>2,307</b>

At the year end the charity reviewed its expenditure during the year and where possible allocated costs to certain restricted funds. Where specific costs were not easily identifiable these have been shown as transfers to unrestricted funds.

The transfer from the Bursary Fund represents a contribution to the shortfall in funding for Ordinands studying BTh award.

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**23 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities**

	<b>2021</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>
Net income for the year (as per Statement of financial activities)	(479)	744
Adjustment for:		
Depreciation charges	404	254
Loss on disposal of Fixed assets	42	
Dividends, interest and rents from investments	-	(1)
(Increase)/decrease in stocks	-	3
Decrease/(increase) in debtors	(23)	27
Increase/(decrease) in creditors	(90)	181
Increase/(decrease) in provisions	(10)	(82)
Net cash generated by operating activities	<u>(156)</u>	<u>1,126</u>

**24 Analysis of Net Debt**

<b>Current Year</b>	<b>Balance at</b>		<b>Balance at</b>
	<b>1 September</b>	<b>Cash</b>	<b>31 August</b>
	<b>2020</b>	<b>Flows</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash in hand	583	406	989
Creditors: Amounts falling due within one year			
Bank loans	(36)	(11)	(47)
Other loan	(200)	-	(200)
Creditors: Amounts falling after more than one year			
Bank loans	(498)	39	(459)
Total	<u>(151)</u>	<u>434</u>	<u>283</u>
<b>Prior Year</b>	<b>Balance at</b>		<b>Balance at</b>
	<b>1 September</b>	<b>Cash</b>	<b>31 August</b>
	<b>2019</b>	<b>Flows</b>	<b>2020</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash in hand	143	440	583
Creditors: Amounts falling due within one year			
Bank loans	(38)	2	(36)
Other loan	-	(200)	(200)
Creditors: Amounts falling after more than one year			
Bank loans	(454)	(44)	(498)
Total	<u>(349)</u>	<u>198</u>	<u>(151)</u>

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**25 Pension Commitments**

**Church of England Funded Pension Scheme (CEFPS)**

Westcott House Cambridge participates in the Church of England Funded Pensions Scheme for stipendiary clergy, a defined benefit pension scheme. This scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Responsible Bodies.

Each participating Responsible Body in the scheme pays contributions at a common contribution rate applied to pensionable stipends.

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This means it is not possible to attribute the Scheme's assets and liabilities to each specific Responsible Body, and this means contributions are accounted for as if the Scheme were a defined contribution scheme. The pensions costs charged to the SoFA in the year are contributions payable towards benefits and expenses accrued in that year (2021: £33,683, 2020: £28,308), plus the figures highlighted in the table below as being recognised in the SoFA, giving a total charge of £33,683 for 2021 (£30,308 for 2020).

A valuation of the Scheme is carried out once every three years. The most recent Scheme valuation completed was carried out at as 31 December 2018. The 2018 valuation revealed a deficit of £50m, based on assets of £1,818m and a funding target of £1,868m, assessed using the following assumption

- An average discount rate of 3.2% p.a.;
- RPI inflation of 3.4% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.4% p.a.;
- Mortality in accordance with 95% of the S3NA\_VL tables, with allowance for improvements in mortality rates in line with the CMI2018 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7 and an initial addition to mortality improvements of 0.5% pa.

Following the 31 December 2018 valuation, a recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) are as set out in the table below.

% of pensionable stipends	January 2018 to December 2020	January 2021 to December 2022
Deficit repair contributions	11.9%	7.1%

As at 31 December 2018 the deficit recovery contributions under the recovery plan in force at that time were 11.9% of pensionable stipends until December 2025.

As at 31 December 2019 and 31 December 2020 the deficit recovery contributions under the recovery plan in force were as set out in the above table.

For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

**Westcott House**  
**Notes to the Accounts**  
**for the year ended 31 August 2021**

**25 Pension Commitments (continued)**

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. The movement in the balance sheet liability over 2019 and over 2020 is set out in the table below.

	2020	2019
Balance sheet liability at 1 January	19,000	101,000
Deficit contribution paid	(9,000)	(11,000)
Interest cost (recognised in SoFA)		2,000
Remaining change to the balance sheet liability* (recognised in SoFA)	(1,000)	(73,000)
Balance sheet liability at 31 December	<b><u>9,000</u></b>	<b><u>19,000</u></b>

\* Comprises change in agreed deficit recovery plan, and change in discount rate and assumptions between year-ends.

This liability represents the present value of the deficit contributions agreed as at the accounting date and has been valued using the following assumptions set by reference to the duration of the deficit recovery payments:

	December 2020	December 2019	December 2018
Discount rate	0.2% pa	1.1% pa	2.1% pa
Price inflation	3.1% pa	2.8% pa	3.1% pa
Increase to total pensionable payroll	1.6% pa	1.3% pa	1.6% pa

The legal structure of the scheme is such that if another Responsible Body fails, Westcott House Cambridge could become responsible for paying a share of that Responsible Body's pension liabilities.

**Church workers Pension Fund (CWPF)**

Westcott House Cambridge participates in the Pension Builder Scheme section of CWPF for lay staff. The Scheme is administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the Employer and the other participating employers.

The 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 sections, Pension Builder Classic and Pension Builder 2014, both of which are classed as defined benefit schemes.

Pension Builder Classic provides a pension for members for payment from retirement, accumulated from contributions paid and converted into a deferred annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the investment returns and other factors.

**Westcott House**  
**Notes to the Accounts**  
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**25 Pension Commitments (continued)**

Pension Builder 2014 is a cash balance scheme that provides a lump sum that members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. This account may have bonuses added by the Board before retirement. The bonuses depend on investment experience and other factors. There is no requirement for the Board to grant any bonuses. The account, plus any bonuses declared, is payable from members' Normal Pension Age.

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

The scheme is considered to be a multi-employer scheme as described in Section 28 of FRS 102. This is because it is not possible to attribute the Pension Builder Scheme's assets and liabilities to specific employers and means 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 payable (2021: £36,843, 2020: £27,468).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent was carried out as at 31 December 2016. A valuation as at 31 December 2019 was under way as at 31 December 2020.

For the Pension Builder Classic section, the valuation revealed a deficit of £14.2m on the ongoing assumptions used. At the most recent annual review, the Board chose not to grant a discretionary bonus, which will have acted to improve the funding position. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £1.8m 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, Westcott House Cambridge could become responsible for paying a share of that employer's pension liabilities.

**26 Operating Lease Commitments**

At 31 August 2021 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	<b>Other 2021 £000</b>	<b>Other 2020 £000</b>
Amounts payable:		
within one year	1	1
within two to five years	1	1
	<u>2</u>	<u>2</u>

**27 Related Party Transactions**

There were no related party transactions in the current or prior year.