

Charity number
311445

Westcott House
Report and Financial Statements
31 August 2023

**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 2023

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

The Vice Principal of the College

The Revd Chris Eyden (appointed November 2022, resigned July 2023)

The Honorary Treasurer

Revd Mark Bennet MA Mmath ACA (appointed Treasurer from October 2020 - July 2023, appointed Synod Rep November 2022)

Mr Adam Morrow (appointed Treasurer July 2023)

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, resigned November 2022)

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

The Very Revd Prof David Fergusson OBE, DD, FRSE, FBA (appointed January 2022)

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, resigned February 2023)

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

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)

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

The Revd Canon Thomas Woodhouse (appointed November 2018, resigned July 2023)

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

The Revd Canon Professor James Walters (appointed March 2019 as a Gen.Synod Rep, in January 2022 became an Appointed Member)

The Revd Canon Flora Winfield (appointed July 2023)

The Venerable Mark Steadman (appointed July 2023)

The Venerable Alex Hughes (appointed July 2023)

Mr Jeffrey Brown (appointed August 2023)

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

Dr Helen King (appointed November 2022)

Revd Mark Bennet MA Mmath ACA (appointed Synod Rep from November 2022, formerly Hon Treasurer from October 2020 -July 2023)

Westcott House

Reference and Administrative Details of the College, its Trustees and Advisors for the year ended 31 August 2023

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

Dr Hannah Swithinbank (elected December 2021, end of office December 2022)

Mr Baxter McRolston (elected April 2021, end of office April 2023)

Dr Robert Hawkins (elected April 2021, end of office April 2023)

Ms Rachel Sheppard (elected December 2022)

Ms Hannah Moore (elected April 2023)

Mrs Natalie Davies (elected April 2023)

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

Cambridge

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

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Council Members' Report for the year ended 31 August 2023

The Council Members present their annual report together with the audited financial statements of Westcott House (the College) for the year ended 31 August 2023. 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 to the University of Cambridge, the University of Durham and Anglia Ruskin University. Teaching staff are affiliated to the Divinity Faculty of the University of Cambridge.

The College is a member of the Cambridge Theological Federation, comprising nine full and three 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 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 recently had the opportunity to participate on an exchange programme with Yale in the US and the Prediger Seminar in Wittenberg, Germany.

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.

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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 a generation 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.

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. We hope that this can be recovered in time to pre-COVID levels. 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 year covered by this report saw the second complete annual cycle in which the House was led by its Principal, the Revd Dr Helen Dawes.

In common with other educational institutions, Westcott House still had in its student cohort a number who had been directly affected by the COVID restrictions of 2020. Staff and students displayed resilience and we believe that we strove to make the students' experience overall as full as possible.

The academic year saw continued implementation of the system of staff oversight and appraisal. Trustees had a programme of engaging with successive aspects of Charity Commission material on best practice, and reviewed the performance of the board in the light of it.

During the year 2022-23, there were 34 students preparing for public ministry in the Church of England ranging in age from early-twenties to mid-fifties. Students came in the main from England, with a small number from overseas. 24 students were studying for Durham University awards in Theology, Ministry and Mission and graduate and post-graduate diplomas; 10 were studying for BTh, BA (Tripos), MPhil and PhD qualifications

In addition, there were 11 independent students ranging in age from early-thirties to late sixties. All 11 independent students came from the UK and studied Durham University or Anglian Ruskin University awards.

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Council Members' Report for the year ended 31 August 2023

FINANCIAL REVIEW

Financial results

During 2022-23 Westcott House incurred a deficit of £313,000 (2022: deficit of £282,000). Levels of income from charitable activities decreased to £765,000 (2022: £846,000). Expenditure on charitable activities decreased to £1,307,000 (2022: £1,382,000). Legacy income was £nil in the year (2022: £104,000).

Going concern

After reviewing budgets and cash flow forecasts to 31 August 2025, the Council members are satisfied that the College will have adequate resources to continue in operational existence for the immediate future. Cash resources are available, further funding is being explored and the College continues to maintain effective cashflow management. 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. The Trustees continue to be aware of the needs identified in the preceding year's Condition Survey which indicates a minimum necessary spend of £0.75m plus VAT and fees over the immediately coming years.

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 £9,423 tuition fees and £5,967 maintenance allowance per capita (based on full time single person 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 it is our hope that an increase in the College's range of training offers will have a positive effect over the mid to long term.

College income is driven predominantly from student numbers that vary each year. Student numbers choosing a full-time residential route to the ministry have dropped in 2022-23 primarily driven by the change in The Church of England's discernment process, which we anticipate will prove to be in itself a one-off effect.

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 (2022: £nil)

Reserves policy

The College had total funds of £14,311,000 at 31 August 2023 (2022: £14,623,000). The free reserves position excluding fixed assets and associated borrowings and pension reserve stood at £521,000 at the year end. The finance committee have established a policy of maintaining reserves at a level of 6 months expenditure. This work is ongoing and necessitates the need to raise additional funds in the next 12 to 18 months.

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.

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Council Members' Report for the year ended 31 August 2023

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. In September 2023 the College has also contracted with Shield Safety to implement a new food safety policy and provide wider health and safety advice.

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. Cyber security risk is continuously monitored.

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 at the initial pre-ordination stage.

Plans to increase income include alumni fundraising and increasing student numbers. Income from casual lets and wider letting have contributed to increased commercial income as have the hosting of several events over the summer period. It is considered that maintaining this increased level of income is sustainable, subject to any risk from Covid-19, or similar, being effectively managed.

The College has, and continues to develop, robust policies and procedures 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 unreportable level of financial risk and for which capital sums are not realistically anticipated to be available.

Fundraising

For much of the previous years, systematic charitable fundraising was a largely unrealistic option for obvious reasons. With the pandemic of 2020 behind us, it has once again become possible, as is a concerted attempt to strengthen alumni relations. The new website includes a dedicated section for alumni and the Christmas newsletter invited contributions of news from alumni. Newsletters are sent termly to all key contacts, including alumni for whom we have contact details and permission. Establishing a foundation of regular givers both supports our work directly through increasing our regular income and also enables us to demonstrate the support for the work we do and for Westcott House as an institution in fundraising conversations with grant-making trusts and philanthropists. With this in mind, the Principal has strengthened first-hand contact with Hong Kong, and a pattern of visits is starting to be established.

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.

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Council Members' Report for the year ended 31 August 2023

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.

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."

The Council considers that whilst the core purposes expressed in the Royal Charter remain relevant, revision would be beneficial to the House. Revision would enable the House to offer within its charitable purposes a wider range of learning and formation, as well as in-service learning, in order better to serve the Church of England, the Anglican Communion and the public at large, in the future. It would also improve the separation of responsibilities and functions between staff, students (who are currently represented on the Council) and the independent Trustees. Template texts are being included in order to bring the Charter in line with the Charity Commission's best recommended practice, and employed staff and student representatives will no longer be Trustees. A draft revision was in preparation during the time of this report and (now having received approval from the Council and the Visitor) will be taken through the necessary processes including the Privy Council as soon as possible.

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.

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Council Members' Report for the year ended 31 August 2023

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.

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 10 January 2024 and signed on their behalf by:



The Rt Revd Paul Ferguson
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 2023 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 2023 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 authorised for issue.

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.

Westcott House

Independent auditors' report

to the Council Members of Westcott House

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.

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 Council members

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;

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

- 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;
- 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 reviewed the minutes of Council Members' meetings to identify and references to non-compliances with laws and regulations.

- 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. This description forms part of our Auditors' Report.

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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 and Moore

Peters Elworthy & Moore

Chartered Accountants
Statutory Auditors

Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 10 January 2024

Westcott House
Statement of Financial Activities
for the year ended 31 August 2023

	Notes	Endowment Funds 2023 £000	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Income and endowments from:						
Donations and legacies	2	-	12	28	40	122
Charitable activities	3	-	33	732	765	846
Other trading activities	4	-	4	233	237	164
Investments	5	-	1	15	16	-
Other income	6	-	-	3	3	6
Total Income and endowments		-	50	1,011	1,061	1,138
Expenditure on:						
Raising Funds						
Voluntary income	7	-	-	22	22	8
Other trading activities	4	-	-	45	45	30
Charitable activities	8	-	28	1,279	1,307	1,382
Total Expenditure		-	28	1,346	1,374	1,420
Net Income / (expenditure) before Transfers		-	22	(335)	(313)	(282)
Transfers between funds	18	-	(21)	21	-	-
Net Income / (expenditure) before Other recognised gains / (losses)		-	1	(314)	(313)	(282)
Loss on disposal of fixed assets	13	-	-	(2)	(2)	(2)
Other gains	25	-	-	3	3	(3)
Net Movement of funds		-	1	(313)	(312)	(287)
Reconciliation of Funds						
Total funds brought forward		285	186	14,152	14,623	14,910
Total funds carried forward		285	187	13,839	14,311	14,623

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 2023**

	Notes	2023 £000	2022 £000
Fixed assets			
Tangible assets	13	14,014	14,324
Current assets			
Stocks	14	2	1
Debtors	15	64	44
Cash at bank and in hand		1,000	1,022
		<u>1,066</u>	<u>1,067</u>
Creditors: amounts falling due within one year	16	(382)	(344)
Net current assets		<u>684</u>	<u>723</u>
Total assets less current liabilities		<u>14,698</u>	<u>15,047</u>
Creditors: amounts falling due after more than one year	17	(387)	(419)
Provisions for liabilities			
Other provisions	25	-	(5)
Net assets		<u>14,311</u>	<u>14,623</u>
Charity Funds			
Endowment Funds	18	285	285
Restricted Funds	18	187	186
Unrestricted Funds	18	13,839	14,152
Total funds		<u>14,311</u>	<u>14,623</u>



**The Rt Revd Paul Ferguson
Chair of the Council**

Approved by the board on 10 January 2024

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 2023

	Notes	2023 £000	2022 £000
Cash flows from Operating activities			
Net cash generated by operating activities	23	<u>52</u>	<u>78</u>
Cash flows from Investment activities:			
Purchase of tangible fixed assets		(42)	(10)
Proceeds from sale of tangible fixed assets		<u>-</u>	<u>1</u>
Net cash used in Investment activities:		<u>(42)</u>	<u>(9)</u>
Cash flows from financing activities			
Repayment of borrowings		(32)	(36)
Cash inflows from new borrowings		<u>-</u>	<u>-</u>
Net cash (Used in)/provided by financing activities		<u>(32)</u>	<u>(36)</u>
Change in cash equivalents in the year			
Cash and cash equivalents brought forward		1,022	989
Cash and cash equivalents carried forward		<u>1,000</u>	<u>1,022</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 2023

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 £313,000 before other gains and losses. Income from donations increased on last year (although regular giving declined), but legacy income was £nil (2022: £104,000). Income from trading activities increased significantly. The unrestricted deficit was £335,000 (2022: £304,000). However, there was an unrestricted surplus before depreciation and other recognised gains/losses of £15,000 (2022: £49,000).

The number of ordinands in training was down in the year due to changes in the Church's discernment process and consistent with the rest of the theological education sector. To mitigate the loss of tuition and maintenance income the Archbishops Council put in place funding support for 2022/23, this support was disbursed by Ministry Development Team. There was however a significant increase in the number of students pursuing independent study at Westcott House. The offer of degrees from Anglia Ruskin University has contributed to a modest increase in net income during 2022/23. This is expected to increase further in 2023/24 and beyond. Additional income streams are being explored by offering the opportunity for international students to study the Cambridge University DTM award. It is hoped this will be in place for 2024/25.

The funding received for training ordinands has changed for the financial year 2023/24. This is called Resourcing Ministerial Formation (RMF), has a new structure and basis for calculation, underpinned with a service level agreement and is received directly from the Archbishops Council via Ministry Development Team. (previously individual diocese were invoiced) The new arrangement is more predictable, easier to administer and has helped improve cashflow.

During the year a small amount of investment income was generated totaling £16,000 (2022: £nil)

Westcott House

Notes to the Accounts

for the year ended 31 August 2023

1.3 GOING CONCERN (continued)

Income generated from trading activities has continued to grow. During the year the number number of postgraduate students from other Cambridge colleges renting a room at Westcott House increased; this was normally on a termly or academic year basis. The demand for casual letting remained strong and Westcott House hosted four conferences and events during the year.

The Charity continuously scrutinises its finances, regularly reviewing financial reports and cashflows. Each year budgets are set and approved by Council, thereafter periodic forecasts and projections are made and actual outturn constantly monitored throughout the year. Overseas fundraising has been identified as a priority with two overseas trips having taken place during 2023 and a fundraising committee being set up; subsequently some donation income has already been received.

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

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.

- Teaching and training fees are recognised in the period to which they relate and include all fees chargeable to students.
- Accommodation, events and other income is recognised as the service is provided or event takes place. Any income received in advance is deferred.
- Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the College; this is normally upon notification of the interest paid or payable by the Bank.

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.

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.

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

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:

Freehold land	- not depreciated
Freehold building-main site	- over 85-90 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 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.

1.8 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.

1.9 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.

1.10 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.

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

1.11 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.

1.12 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.

1.13 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

2 Income from donations and legacies

	Endowment Funds 2023 £000	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Donations	-	12	28	40	18
Legacies	-	-	-	-	104
		12	28	40	122
Total 2022	-	8	114	122	

3 Income from charitable activities

	Endowment Funds 2023 £000	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Teaching and training	-	28	460	488	501
Accommodation	-	5	272	277	345
	-	33	732	765	846
Total 2022	-	49	797	846	

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

4 Ancillary trading activities

	Endowment Funds 2023 £000	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Events and other lettings - income	-	4	233	237	164
	-	4	233	237	164
Events and other lettings - expenses					
Direct expenses	-	-	7	7	2
Other allocated expenses	-	-	3	3	3
Allocated Staff costs	-	-	35	35	25
	-	-	45	45	30
Net income from trading activities	-	4	188	192	134

In 2022 £2k of income from events and other lettings was restricted. There were no restricted costs.

5 Investment income

	Endowment Funds 2023 £000	Restricted Funds 2023 £000	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Interest income	-	1	15	16	-
	-	1	15	16	-
Total 2022	-	-	-	-	-

6 Other income

	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Other incoming resources	-	-	5
Sundry income	3	3	1
	3	3	6
Total 2022	6	6	

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

7 Expenditure on Raising Voluntary Income

	Unrestricted Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000
Travel costs	5	5	-
Staff costs	17	17	8
	<u>22</u>	<u>22</u>	<u>8</u>
Total 2022	<u>8</u>	<u>8</u>	

8 Expenditure on Charitable Activities

	Activities Undertaken directly (note 9) 2023 £000	Support & Governance Costs (note 10) 2023 £000	Total 2023 £000	Total 2022 £000
Education	448	153	601	672
Welfare	108	14	122	121
Property	528	56	584	589
	<u>1,084</u>	<u>223</u>	<u>1,307</u>	<u>1,382</u>
Total 2022	<u>1,143</u>	<u>239</u>	<u>1,382</u>	

9 Direct Costs

	Education £000	Welfare £000	Property £000	Total 2023 £000	Total 2022 £000
Academic fees	101	-	-	101	133
Establishment costs	16	4	134	154	146
Other staff costs	20	-	-	20	46
Catering costs	-	31	-	31	30
Staff costs	311	73	44	428	435
Depreciation	-	-	350	350	353
	<u>448</u>	<u>108</u>	<u>528</u>	<u>1,084</u>	<u>1,143</u>
Total 2022	<u>508</u>	<u>106</u>	<u>529</u>	<u>1,143</u>	

10 Support and Governance Costs

	Education £000	Welfare £000	Property £000	Total 2023 £000	Total 2022 £000
Establishment costs	69	6	25	100	92
Auditor's remuneration	10	1	4	15	12
Staff costs	74	7	27	108	135
	<u>153</u>	<u>14</u>	<u>56</u>	<u>223</u>	<u>239</u>
Total 2022	<u>164</u>	<u>15</u>	<u>60</u>	<u>239</u>	

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

11 Net Income/expenditure	2023	2022
	£000	£000
This is stated after charging:		
Depreciation of owned fixed assets owned by the Charity	350	353
Auditors' remuneration for audit services	15	12
	<u>365</u>	<u>365</u>
12 Staff costs	2023	2022
	£000	£000
Wages and salaries	491	501
Social security costs	39	38
Other pension costs	58	64
	<u>588</u>	<u>603</u>
	<u>588</u>	<u>603</u>
Average number of employees during the year	Number	Number
Teaching	5	6
Fundraising	1	1
Other	9	10
	<u>15</u>	<u>17</u>
	<u>15</u>	<u>17</u>

No employees were paid in excess of £60,000 (2022: 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 (two in 2022) 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 totaled £99,000 (2022 : £107,000) and employer's pension contributions totaled £17,000 (2022 : £23,000). During the year the Vice Principal was seconded from The Diocese of St Edmundsbury & Ipswich as an interim appointment.

Key management personnel are considered to be the council members, as above, plus the Director of Finance (observer). During the year the remuneration for these personnel, including pension contributions, totalled £193,000 (2022 : £205,000).

During the year, three (2022 : two) Council Members were reimbursed for travel expenses totaling £246 (2022: £135).

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

13 Tangible fixed assets

	Freehold property	Fixtures, fittings and equipment	Total
	£000	£000	£000
Cost or valuation			
At 1 September 2022	13,488	3,016	16,504
Additions	-	42	42
Asset component reclassification	-	-	-
Disposals	-	(89)	(89)
At 31 August 2023	<u>13,488</u>	<u>2,969</u>	<u>16,457</u>
Depreciation			
At 1 September 2022	903	1,277	2,180
Charge for the year	163	187	350
On disposals	-	(87)	(87)
At 31 August 2023	<u>1,066</u>	<u>1,377</u>	<u>2,443</u>
Carrying amount			
At 31 August 2023	<u>12,422</u>	<u>1,592</u>	<u>14,014</u>
At 31 August 2022	<u>12,585</u>	<u>1,739</u>	<u>14,324</u>

Included in land and buildings is freehold land at a cost/valuation of £6,339,000 (2021: £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'.

Disposal of fixtures and fittings during the year resulted in a loss of £2,000.

14 Stocks	2023	2022
	£000	£000
Kitchen and housekeeping stock	<u>2</u>	<u>1</u>
15 Debtors	2023	2022
	£000	£000
Trade debtors	19	13
Other debtors	1	1
Prepayments and accrued income	<u>44</u>	<u>30</u>
	<u>64</u>	<u>44</u>

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

16 Creditors: amounts falling due within one year	2023	2022
	£000	£000
Bank loans	51	51
Other loan	200	200
Trade creditors	36	28
Other taxes and social security costs	17	22
Other creditors	7	6
Accruals and deferred income	71	37
	<u>382</u>	<u>344</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 5 year fixed rate of 3.71% per annum, fixed in January 2022 for 5 years, 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, repayable in monthly installments up to the repayment date of June 2026. 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

Deferred income	2023	2022
	£000	£000
Brought forward	1	6
Income released in the year	(1)	(6)
Income deferred in the year	15	1
Carried forward	<u>15</u>	<u>1</u>

Deferred income relates to student vacation charges, student flat rentals and external let rentals for September 2023 and a deposit for a conference taking place post year end.

17 Creditors: amounts falling due after one year	2023	2022
	£000	£000
Bank loans	<u>387</u>	<u>419</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2023	2022
	£000	£000
Repayable by instalments	<u>205</u>	<u>228</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 5 year fixed rate of 3.71% per annum, fixed in January 2022 for 5 years, 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, repayable in monthly installments up to the repayment date of June 2026. Interest is charged at 2.5% per annum.

Westcott House
Notes to the Accounts
for the year ended 31 August 2023

18 Statement of Funds

Current Year	Brought Forward £000	Income £000	Resources expended £000	Transfers In/out £000	Gains/ (losses) £000	Balance 2023 £000
Designated Funds						
Fixed asset fund	13,605	-	-	(287)	-	13,318
General Funds						
General Fund	547	1,011	(1,346)	308	1	521
Total Unrestricted funds	14,152	1,011	(1,346)	21	1	13,839
Endowment Funds						
Endowment Fund (note 21)	285	-	-	-	-	285
Restricted funds						
Restricted funds (note 22)	186	50	(28)	(21)	-	187
Total of Funds	14,623	1,061	(1,374)	-	1	14,311

Prior Year	Brought Forward £000	Income £000	Resources expended £000	Transfers In/out £000	Gains/ (losses) £000	Balance 2022 £000
Designated Funds						
Fixed asset fund	13,926	-	-	(321)	-	13,605
General Funds						
General Fund	488	1,079	(1,378)	363	(5)	547
Total Unrestricted funds	14,414	1,079	(1,378)	42	(5)	14,152
Endowment Funds						
Endowment Fund (note 21)	285	-	-	-	-	285
Restricted funds						
Restricted funds (note 22)	211	59	(42)	(42)	-	186
Total of Funds	14,910	1,138	(1,420)	-	(5)	14,623

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 2023

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 2023

20 Analysis of Net Assets between funds

Current Year	Endowment	Restricted	Unrestricted	Total
	Funds	Funds	Funds	Funds
	2023	2023	2023	2023
	£000	£000	£000	£000
Tangible fixed assets	285	-	13,729	14,014
Current Assets	-	187	879	1,066
Creditors due within one year	-	-	(382)	(382)
Creditors due in more than one year	-	-	(387)	(387)
Provisions for liabilities and charges	-	-	-	-
	<u>285</u>	<u>187</u>	<u>13,839</u>	<u>14,311</u>

Prior Year	Endowment	Restricted	Unrestricted	Total
	Funds	Funds	Funds	Funds
	2022	2022	2022	2022
	£000	£000	£000	£000
Tangible fixed assets	285	-	14,039	14,324
Current Assets	-	186	881	1,067
Creditors due within one year	-	-	(344)	(344)
Creditors due in more than one year	-	-	(419)	(419)
Provisions for liabilities and charges	-	-	(5)	(5)
	<u>285</u>	<u>186</u>	<u>14,152</u>	<u>14,623</u>

21 Endowment Funds

Current Year	Balance at	Income	Transfers	Revaluation	Balance at
	1 September			of	31 August
	2022			Investments	2023
	£000	£000	£000	£000	£000
GENERAL FUNDS					
Inge Bequest	30	-	-	-	30
Purvis Bequest	71	-	-	-	71
Unrestricted units	3	-	-	-	3
	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
SPECIFIC FUNDS					
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>
UNINVESTED FUNDS					
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 2023

21 Endowment Funds (continued)

Prior Year	Balance at 1 September 2021 £000	Income £000	Transfers £000	Revaluation of Investments £000	Balance at 31 August 2022 £000
GENERAL FUNDS					
Inge Bequest	30	-	-	-	30
Purvis Bequest	71	-	-	-	71
Unrestricted units	3	-	-	-	3
	<u>104</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>104</u>
SPECIFIC FUNDS					
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>
UNINVESTED FUNDS					
Unrestricted	76	-	-	-	76
	<u>285</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>285</u>

22 Restricted Funds

Current Year	Balance at 1 September 2022 £000	Income £000	Resources expended £000	Transfers £000	Revaluation of Investments £000	Balance at 31 August 2023 £000
MINISTRY DIVISION FUNDS						
Ministry Division academic fee	-	28	(28)	-	-	-
SPECIFIC FUNDS						
Cunningham Bequest	12	1	-	-	-	13
Cunningham Memorial	9	1	-	-	-	10
Arthur Swingler Fund	18	2	-	-	-	20
Montefiore Prize	5	-	-	-	-	5
Bushby Memorial	3	-	-	-	-	3
Haworth Prize	1	-	-	-	-	1
Jennings Fund	7	1	-	-	-	8
Southern African Bursary Fund	88	1	-	-	-	89
Peter Walker China Bursary	18	-	-	-	-	18
Bursary Fund	-	12	-	(12)	-	-
Principal's Discretionary Fund	16	4	-	-	-	20
G&H Development Fund	9	-	-	(9)	-	-
Total Restricted	<u>186</u>	<u>50</u>	<u>(28)</u>	<u>(21)</u>	<u>-</u>	<u>187</u>

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

Prior Year	Balance at 1 September 2021 £000	Income £000	Resources expended £000	Transfers £000	Revaluation of Investments £000	Balance at 31 August 2022 £000
MINISTRY DIVISION FUNDS						
Ministry Division academic fee	-	42	(42)	-	-	-
SPECIFIC FUNDS						
Cunningham Bequest	11	1	-	-	-	12
Cunningham Memorial	8	1	-	-	-	9
Arthur Swingler Fund	16	2	-	-	-	18
Montefiore Prize	5	-	-	-	-	5
Bushby Memorial	3	-	-	-	-	3
Haworth Prize	1	-	-	-	-	1
Jennings Fund	6	1	-	-	-	7
Southern African Bursary Fund	88	-	-	-	-	88
Peter Walker China Bursary	18	-	-	-	-	18
Bursary Fund	-	8	-	(8)	-	-
Principal's Discretionary Fund	12	4	-	-	-	16
G&H Development Fund	43	-	-	(34)	-	9
Total Restricted	211	59	(42)	(42)	-	186

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 and other Cambridge awards.

Westcott House
Notes to the Accounts
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23 Reconciliation of Net Movement in Funds to Net Cash Flow from Operating Activities

	2023	2022
	£000	£000
Net income for the year (as per Statement of financial activities)	(312)	(287)
Adjustment for:		
Depreciation charges	350	353
Loss on disposal of Fixed assets	2	2
Dividends, interest and rents from investments	-	-
(Increase)/decrease in stocks	(1)	2
Decrease/(increase) in debtors	(20)	54
Increase/(decrease) in creditors	38	(42)
Increase/(decrease) in provisions	(5)	(4)
Net cash generated by operating activities	<u>52</u>	<u>78</u>

24 Analysis of Net Debt

Current Year	Balance at		Balance at
	1 September	Cash	31 August
	2022	Flows	2023
	£000	£000	£000
Cash in hand	1,022	(22)	1,000
Creditors: Amounts falling due within one year			
Bank loans	(51)	-	(51)
Other loan	(200)	-	(200)
Creditors: Amounts falling after more than one year			
Bank loans	(419)	32	(387)
Total	<u>352</u>	<u>10</u>	<u>362</u>
Prior Year	Balance at		Balance at
	1 September	Cash	31 August
	2021	Flows	2022
	£000	£000	£000
Cash in hand	989	33	1,022
Creditors: Amounts falling due within one year			
Bank loans	(47)	(4)	(51)
Other loan	(200)	-	(200)
Creditors: Amounts falling after more than one year			
Bank loans	(459)	40	(419)
Total	<u>283</u>	<u>69</u>	<u>352</u>

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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 scheme separately from those of the Responsible Bodies.

Each participating Responsible Body in the Church of England Funded Pensions 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. 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 (2023: £16,929, 2022: £32,482), plus the figures in relation to the Scheme's deficit highlighted in the table below as being recognised in the SoFA, giving a total charge of £13,929 for 2023 (2022: £35,482).

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 2021. The 2021 valuation revealed a surplus of £560m, based on assets of £2,720m and a funding target of £2,160m, assessed using the following assumptions:

- An average discount rate of 2.7% p.a.;
- RPI inflation of 3.6% p.a. (and pension increases consistent with this);
- CPIH inflation in line with RPI less 0.8% pre 2030 moving to RPI with no adjustment from 2030 onwards;
- Increase in pensionable stipends in line with CPIH.;
- Mortality in accordance with 90% of the S3NA tables, with allowance for improvements in mortality rates in line with the CMI2020 extended model with a long term annual rate of improvement of 1.5%, a smoothing parameter of 7, an initial addition to mortality improvements of 0.5% pa and an allowance for 2020 data of 0% (i.e. w2020 = 0%).

Following the 31 December 2018 valuation, a deficit recovery plan was put in place until 31 December 2022 and the deficit recovery contributions (as a percentage of pensionable stipends) were as set out in the table below. An interim reduction to deficit contributions to 3.2% of pensionable stipends was made with effect from 1 April 2022. Following finalisation of the 31 December 2021 valuation, deficit contributions ceased with effect from 1 January 2023, since the Scheme was in surplus.

As at 31 December 2020 and 31 December 2021 the deficit recovery contributions under the recovery plan in force were as set out in the table below. For senior office holders, pensionable stipends are adjusted in the calculations by a multiple, as set out in the Scheme's rules.

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

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Notes to the Accounts
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25 Pension Commitments (continued)

Section 28.11A of FRS 102 requires agreed deficit recovery payments to be recognised as a liability. However, as there are no agreed deficit recovery payments from 1 January 2023 onwards, the balance sheet liability as at 31 December 2022 is nil. The movement in the balance sheet liability over 2021 and over 2022 is set out in the table below.

	2022	2021
Balance sheet liability at 1 January	5,000	9,000
Deficit contribution paid	(2,000)	(7,000)
Interest cost (recognised in SoFA)		
Remaining change to the balance sheet liability* (recognised in SoFA)	(3,000)	3,000
Balance sheet liability at 31 December	<u>0</u>	<u>5,000</u>

* 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. No assumptions are needed for December 2022 as there are no agreed deficit recovery payments going forward. No price inflation assumption was needed for December 2021 since pensionable stipends for the remainder of the recovery plan were already known.

	December 2022	December 2021	December 2020
Discount rate	n/a	0.0% pa	0.2% pa
Price inflation	n/a	n/a	3.1% pa
Increase to total pensionable payroll	n/a	-1.5% 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 participates in the Pension Builder Scheme section of CWPF for lay staff. CWPF is administered by the Church of England Pensions Board, which holds the CWPF assets separately from those of the Employer and other participating employers.

CWPF has two sections: 1. the Defined Benefits Scheme
 2. the Pension Builder Scheme, which has two subsections;
 a.a deferred annuity section known as Pension Builder Classic, and,
 b.a cash balance section known as Pension Builder 2014.

Pension Builder Scheme

Both sections of the Pension Builder Scheme are classed as defined benefit schemes.

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

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

Pension Builder 2014 is a cash balance scheme that provides a lump sum which members use to provide benefits at retirement. Pension contributions are recorded in an account for each member. Discretionary bonuses may be added before retirement, depending on investment returns and other factors. The account, plus any bonuses declared is payable, unreduced, from age 65.

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

The scheme is 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 the contributions payable (2023: £35,846, 2022: £35,710).

A valuation of the Pension Builder Scheme is carried out once every three years. The most recent valuation was carried out as at 31 December 2019. The next valuation is due as at 31 December 2022.

For the Pension Builder Classic section, the valuation revealed a deficit of £4.8m on the ongoing assumptions used. At the most recent annual review, the Board chose to grant a discretionary bonus of 10.1% following improvements in the funding position over 2022. There is no requirement for deficit payments at the current time.

For the Pension Builder 2014 section, the valuation revealed a surplus of £5.5m on the ongoing assumptions used. There is no requirement for deficit payments at the current time.

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

26 Operating Lease Commitments

At 31 August 2023 the total of the charity's future minimum lease payments under non-cancellable operating leases was:

	Other 2023 £000	Other 2022 £000
Amounts payable:		
within one year	2	3
within two to five years	2	5
	<u>4</u>	<u>8</u>

27 Related Party Transactions

During the year 3 trustees made donations to the charity totalling £572 (2022: 2 trustees - £155). No benefits were received as a result of these donations. There were no other related party transactions in the current or prior year.