

Centre for Theology and  
Community Limited

# Report and Accounts

year ended 05 April 2016

**stewardship<sup>®</sup>**

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# **CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

**FOR THE YEAR ENDED 5 APRIL 2016**

## **COMPANY INFORMATION**

<b>Directors/Trustees</b>	Dr David Staples, Chair Mr John Deacon Dr Ralph Walker
<b>Company Secretary</b>	Mr John Deacon
<b>Executive Director</b>	Canon Dr Angus Ritchie
<b>Governing Document</b>	Memorandum and Articles of Association
<b>Company Registration Number</b>	05848143
<b>Charity Registration Number</b>	1121648
<b>Registered Office</b>	East Crypt St George-in-the-East 14 Cannon St Road London E1 0BH
<b>Independent Examiner</b>	Stephen Mathews FCA Stewardship 1 Lamb's Passage LONDON EC1Y 8AB
<b>Bankers</b>	The Co-operative Bank plc P.O. Box 101 1 Balloon Street Manchester M60 4EP

## **CONTENTS**

Company Information	Page 1
Directors Report	2-5
Independent Examiner's Report	6
Statement of Financial Activities	7
Balance Sheet	8
Notes to the Accounts	9-13

## CENTRE FOR THEOLOGY AND COMMUNITY LIMITED

### REPORT OF THE DIRECTORS FOR THE YEAR ENDED 5 APRIL 2016

The Directors have pleasure in submitting the Report and Accounts for the year.

#### **Objects of the charity**

The object of the Centre for Theology and Community Limited is 'to advance public knowledge and mutual understanding of the teachings, traditions and practices of different faith communities including promoting good relations between persons of different faiths in particular but not exclusively by providing education and training, developing a network in order to share good practice and experience, by facilitating supervised placements for students and by engaging in research.'

Our main area of operation is East London, and our work is primarily with Christian congregations – equipping them to work with their neighbours for community transformation, through the practices of community organising, theological reflection and prayer, and helping them to use their resources more effectively to fulfil this mission. A key partner in this work is Citizens UK, and its local affiliate, London Citizens.

#### **Government**

The organisation is a charitable company limited by guarantee, incorporated on 15th June 2006 and registered as a charity on 21st November 2007. The company was established under a Memorandum of Association, which established its objects and powers, and is governed by its Articles of Association. In the event of the company being wound up, its members are required to contribute an amount not exceeding £1.

#### *Recruitment and appointment of members of the Trustee Board:*

The directors of the company are also charity Trustees for the purposes of charity law. At the end of the first year, all Trustees are required to retire, and one third will do so at subsequent Annual General Meetings. The Trustees have all received training on their responsibilities, and the Chair of Trustees is responsible for the induction of new Trustees, when the occasion arises. This involves ensuring awareness of a Trustee's responsibilities, the governing document and the work of the charity.

#### *Organisational Structure:*

The Trustees are responsible for setting policy and strategy. Day-to-day management and running of the charity is delegated to Canon Dr Angus Ritchie, the Executive Director.

#### *Membership:*

The membership of the charity currently comprises the original signatories to the Memorandum of Association.

## Achievements and Performance

Our work is now divided into three main streams:

### *1. Community Organising*

Our year-long **congregational development** programme engaged 7 churches, helping hundreds of local people apply their faith to public life, building relationships of solidarity and trust with neighbours of other faiths and of none. The programme will double in size in the year ahead.

Our month-long summer **Urban Leadership School** trained 15 young leaders in community organising, and our year-long **Buxton Leadership Programme** placed 3 people in both Westminster and local churches to learn Christian political leadership.

We also continue to run the East London **Near Neighbours** Programme for DCLG and the Church Urban Fund, and have developed it to focus more intentionally on supporting organising at a very local level.

### *2. Reflection and Resources*

We published 8 reports including original research and reflection on **church planting**, **London's housing crisis**, **monasticism** and **community organising**. We also published **Keeping the Faith** jointly with Theos.

We also produced new bible study guides and resources to help churches think through how to respond to the housing crisis in London – **Building Something Better** and **Who Is My Neighbour?** – and produced prayer and worship resources for **Living Wage Week** in November.

### *3. Enterprise*

**The London Missional Housing Bond** – which we have developed with the Diocese of London, the Eden Network and Mission Housing – purchased its second house and has now raised nearly £1m

We played a key role in developing and then project-managing **Clean for Good**, a new ethical Living Wage cleaning company for London

Our pilot **Church Credit Champions Network** met its targets, had Credit Champions commissioned by the Archbishop of Canterbury and is to be rolled out nationally by the Church Urban Fund

In planning the activities the Directors have had regard to the guidance on public benefit issued by the Charity Commission in December 2008.

## Financial Review

The Charity's accounting period ended on 5 April 2016. Unrestricted free reserves at 5 April 2016 were £20,312 (2015 - £10,805).

### *Note on Net Movement in Funds*

The net movement in funds for this year shows a deficit. This is a result of the charity expending nearly all of its Restricted Funds this year as some of our major projects neared completion and was intentional. The charity also has a significant amount of deferred income for projects which is due to be recognised in 2016-17 and which is explained in the Notes to the Accounts.

### *Principal Funding Sources*

The main funders for the year and income relating to the year for each funder are outlined in the accounts.

### *Investment Policy*

The funds received during the period under review were not sufficient to justify separate investment.

## Reserves Policy

The Trustees recognise the need for a reasonable level of reserves to protect the charity from fluctuations in funding and sudden emergency requirements. It is our aim to build up a reserve representing three months' annual expenditure from unrestricted funds. We are seeking to increase the amount of income which is either grants towards CTC's core costs or earned income, enabling us to make significant progress towards this target. 2015-16 is now the second successive year in which we have generated a modest operating surplus of unrestricted funds – and this is a trajectory we intend to pursue in future years.

## Plans for future periods

We have appointed a new Director of our **Urban Leadership School** – Revd Richard Springer – who will be leading its expansion with new streams:

- o Cardinal Manning Programme, for Roman Catholics
- o William Seymour Programme, for Pentecostals and Baptists

In the autumn, we will run the third year of our pioneering **Congregational Development Learning Community** for churches engaged in community organising – including a new stream helping churches to grow numerically through organising.

Autumn 2016 will see the launch of **Clean for Good**, a new ethical cleaning company for London, which we have been project-managing.

Forthcoming research reports include Property for Mission, Ministry on the Margins and Music for Mission.

### **Risk Statement**

A comprehensive review of risks was carried out in 2012. The responses to these have been implemented, and risks are kept under continuous review. The Trustees have commissioned a further comprehensive review, which is now underway.

### **Directors' Responsibilities**

Charity law requires us as Directors to prepare financial statements for each accounting year which give a true and fair view of the state of the charity and of its income and expenditure for the year.

1. Select suitable accounting policies and apply them consistently
2. Make judgements and estimates that are reasonable and prudent
3. State whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.
4. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in business.

We are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable us to ensure that the financial statements comply with the Companies Act 2006.

We also have a responsibility to safeguard the assets of the charity and to take reasonable steps to prevent fraud or any other irregularities.

### **Preparation of the report**

This report of the Board of Trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

### **Approval**

This report was approved by the Directors on 29 September 2016 and signed on their behalf by:

John Deacon, Secretary

## **INDEPENDENT EXAMINER'S REPORT TO THE TRUSTEES OF**

### **CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

I have examined the accounts for the year ended 5 April 2016 on pages 7 to 13 following which have been prepared on the basis of the accounting policies set out on page 9.

#### **Respective Responsibilities of Directors/Trustees and Examiner**

The directors/trustees of the company are responsible for the preparation of accounts; they consider that the audit requirements under section 144 of the Charities Act 2011 do not apply but that an independent examination is needed. I have been appointed to conduct an Independent Examination required by section 145 of the Charities Act 2011 and to report in accordance with the regulations made under section 145 of that Act. It is my responsibility to examine the accounts, without performing an audit, and to report to the trustees.

Having satisfied myself that the company is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (1) examine the accounts under section 145 of the Charities Act 2011;
- (2) follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act 2011;
- (3) state whether particular matters have come to my attention.

The charity's gross income exceeded £250,000 and I am qualified to undertake the examination

#### **Basis of Examiner's Statement**

This report is in respect of an examination carried out under section 145 of the Charities Act 2011, and in accordance with the general directions given by the Charity Commissioners. An examination includes a review of the accounting records kept by the charity, and a comparison of the accounts presented with those records. It also includes a review of the accounts and making such enquiries as are necessary for the purpose of this report. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

#### **Examiner's Statement**

Based on my examination, no matter has come to my attention which gives me reasonable cause to believe that in any material respect, accounting records have not been kept in accordance with section 386 of the Companies Act 2006, or that the accounts presented do not accord with those records, or comply with the accounting requirements of section 396 of the Companies Act 2006. No matter has come to my notice in connection with my examination to which, in my opinion, attention should be drawn to enable a proper understanding of the accounts.

Stephen Mathews FCA

25 October 2016

For and on behalf of:  
Stewardship  
1 Lamb's Passage  
LONDON  
EC1Y 8AB

# CENTRE FOR THEOLOGY AND COMMUNITY LIMITED

## Statement of Financial Activities FOR THE YEAR ENDED 5 APRIL 2016

### Summary Income and Expenditure Account

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2016 £	Total Funds 2015 £
<b>INCOME AND ENDOWMENTS FROM</b>					
Donations and legacies	2	78,772	263,755	342,528	384,595
Investments		138	-	138	108
<i>Incoming resources from charitable activities</i>					
Fee and consultancy income		46,796	-	46,796	43,871
Other income and endowments		4,613	-	4,613	250
Total income and endowments		130,320	263,755	394,075	428,824
<b>EXPENDITURE ON</b>					
Charitable activities	3	120,813	307,308	428,121	399,164
Total expenditure		120,813	307,308	428,121	399,164
<b>Net Movement in Funds</b>		9,507	(43,552)	(34,045)	29,660
Transfers between funds					
<b>Reconciliation of funds:</b>					
Total funds brought forward		10,805	44,273	55,078	25,416
<b>Total funds carried forward</b>		20,312	721	21,033	55,078

Movements on reserves and all recognised gains and losses are shown above.

The notes on page 9-13 form part of these accounts.

**CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

**BALANCE SHEET**

**FOR THE YEAR ENDED 5 APRIL 2016**

	Note	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	5	-	-	-	-
		-	-	-	-
<b>CURRENT ASSETS</b>					
Debtors	6	36,900	13,325	50,225	26,810
Cash at bank	7	7,611	38,708	46,318	52,644
		44,511	52,032	96,543	79,454
<b>CURRENT LIABILITIES</b>					
Liabilities falling due within one year	8	24,199	51,311	75,510	24,378
Net Current Assets		20,312	721	21,033	55,078
<b>NET ASSETS</b>		20,312	721	21,033	55,078
<b>FUND BALANCES</b>					
Unrestricted funds	10				
General Funds		20,312		20,312	10,805
Restricted Funds	10		721	721	44,273
		20,312	721	21,033	55,078

*For the year ended 5 April 2016, the company was entitled to the exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.*

*Responsibilities of directors/trustees:*

- a. The members have not required the charitable company to obtain an audit of its accounts for the year in question in accordance with Section 476 of the Companies Act - however, in accordance with Section 145 of the Charities Act 2011 the accounts have been examined by an independent examiner whose report forms part of this document.*
- b. The directors/trustees acknowledge their responsibilities for complying with the requirements of the Companies Act with respect to accounting records and the preparation of accounts.*

*These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.*

Approved by the Directors and signed on their behalf on the 29 September 2016 by:

John Deacon

Company number: 05848143 Charity number: 1121648

The notes on page 9-13 form part of these accounts.

## CENTRE FOR THEOLOGY AND COMMUNITY LIMITED

### Notes to the Accounts FOR THE YEAR ENDED 5 APRIL 2016

#### 1 Accounting Policies

The accounts have been prepared under the historic cost convention, in accordance with applicable accounting standards and follow the FRSSE Statement of Recommended Practice: Accounting by Charities 2015.

The directors consider that sufficient finance will be available for continuing operations into 2017 and the accounts have therefore been prepared on a going concern basis. The following are the accounting policies which have been applied in dealing with material items:-

a) Donated and grant income:

Donated income and grants receivable are taken into account when received by the charity. Income received in circumstances where a claim for repayment of tax has been or will be made to HM Revenue & Customs is grossed up for the tax recoverable. Any amount of tax reclaimed from HM Revenue & Customs but not yet received is shown within the charity's debtors.

b) Other income and expenditure:

Investment income is taken into account when receivable.

Expenditure, including irrecoverable VAT, when incurred by the charity, regardless of when payment is made. Most projects make a fair and proportional contribution to overheads as agreed with the relevant funder. Grants payable are taken into account at the earlier of when they are paid or become constructive obligations.

c) Funds:

Unrestricted funds are donations and other income received or generated for the objects of the charity without specified purpose and are available for purposes as directed by the trustees. Restricted funds are amounts received where the donor has specified the purpose for which it should be used.

d) Fixed assets and depreciation:

Fixed assets acquired for use by the charity are capitalised and depreciated over their estimated useful life unless they cost less than £500 when they are written off on purchase.

Depreciation periods are as follows:

Equipment	Between 3 and 7 years
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e) Pension costs:

The company operates a defined contribution scheme for certain of its employees. Pension premiums are charged as they are paid.

f) Taxation

The company is a registered charity and is exempt from taxation under the Income & Corporation Taxes Acts.

g) Cashflow statement

The company has taken advantage of the exemption provided by the Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

#### 2 Voluntary income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Grants	78,772	260,737	339,510	382,102
General donations	-	3,018	3,018	2,458
Tax recoverable	-	-	-	35
	<u>78,772</u>	<u>263,755</u>	<u>342,528</u>	<u>384,595</u>

**CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

**Notes to the Accounts  
FOR THE YEAR ENDED 5 APRIL 2016**

**3 Charitable activities**

	Total 2016 £	Total 2015 £
<b>a</b> <u>Direct Project Costs (including Grants payable - see Note 3c)</u>		
Urban Leadership School (ULS)		
Urban Leadership School	3,380	6,167
CTC Summer Internship	14,450	8,708
Buxton Leadership Programme	30,848	29,752
Learning Community on Congregational Development through Community Organising Citizens Chicago Conference	11,317 - -	16,656 4,522
Church Credit Champions Network (CCCN)	128,219	111,022
Near Neighbours	25,890	26,078
Greater London Presence & Engagement Network (PEN)	-	25,655
Creative Arts		
SingSpire	1,974	21,569
Storytelling	4,551	6,359
Just Money Campaign	7,460	760
Enterprise for Mission		
London Missional Housing Bond	-	6,600
Clean for Good cleaning company	7,811	5,000
Property for Mission	10,540	-
Shoreditch Group	-	2,577
Research, teaching and consultancy		
Presence & Engagement research	-	1,800
Our Common Heritage housing research	2,537	5,802
Social care project	-	3,500
Church planting in East London	7,947	-
Boston College Partnership	705	-
Grassroots Theology	690	-
Hong Kong community organising training	1,756	-
Monasticism	1,086	-
Proselytising (for Theos)	4,354	-
Salvation Army	778	-
St. Peter's Bethnal Green Crypt Project	1,295	-
Supporting the Marginalised	9,014	-
T4L Living Water Project	1,850	-
Tollington Parish	710	-
All other research, teaching & consultancy	8,939	36,583
Housing Campaign and Conference	9,699	-
William Leech Fellowship	3,349	-
Christian Media Training	8,258	-

**CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

**Notes to the Accounts  
FOR THE YEAR ENDED 5 APRIL 2016**

Capital Mass	1,300	-		
St. George in the East Parish Ministry	25,196	-		
St. Peter's Bethnal Green	8,400	-		
William Seymour Program	1,484	-		
Staff secondments to partners	-	4,583		
Further direct costs	7,804	1,350		
	353,590	325,043		
<b>b</b> <u>Support Costs (Management, Administration and Development)</u>	£	£		
Rent and utilities	29,674	20,382		
Office costs	10,511	10,472		
Publications, publicity, website	868	2,207		
Staff expenses	49	7,354		
Staff & Management costs	25,789	23,208		
Insurance	1,419	1,387		
Legal	-	1,644		
Miscellaneous	2,277	2,655		
Accounts and examination	3,661	3,600		
Training/Development	282	1,212		
	74,531	74,121		
<b>Combined charitable activity cost</b>	428,121	399,164		
<b>c</b> <u>Grants</u>	Institutions	Individuals	2016	2015
	£	£	£	£
Community grants	39,775	-	39,775	13,258
	39,775	-	39,775	13,258
The main features of the grants made were:			2016	2015
Liverpool Together for the Church Credit Champions Network (based on funding received)			39,775	13,258
<b>4</b> <b>Staff &amp; Trustees</b>			2016	2015
			£	£
Gross wages, salaries & benefits in kind			264,652	245,319
Employer's National Insurance costs			21,427	20,451
Pension costs			9,188	13,493
Total staff costs			295,267	279,263

The charity has 8.2 full time equivalent employed staff (2015: 7.85).

No staff received salaries at a rate of more than £60,000 per annum.

No remuneration was paid to any trustee during the year nor to any person connected to them.

**CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

**Notes to the Accounts  
FOR THE YEAR ENDED 5 APRIL 2016**

**5 Tangible Fixed Assets**

	Computer equipment & furniture £	Total 2016 £
Cost		
At 6 April 2015	2,376	2,376
Additions	-	-
At 5 April 2016	<u>2,376</u>	<u>2,376</u>
Accumulated Depreciation		
At 6 April 2015	2,376	2,376
Charge for the year	-	-
At 5 April 2016	<u>2,376</u>	<u>2,376</u>
Net book value		
At 5 April 2016	<u>-</u>	<u>-</u>
At 6 April 2015	<u>-</u>	<u>-</u>

**6 Debtors and Prepayments**

	2016 £	2015 £
Other Debtors	7,635	13,820
Accrued income	<u>42,590</u>	<u>12,990</u>
	<u>50,225</u>	<u>26,810</u>

Accrued income represents amounts receivable where entitlement for grant funding is obtained by the charity, normally when the offer of funding is communicated in writing by the grantor, but payment has not been received by the year end.

**7 Cash at Bank and in Hand**

Bank operating accounts	<u>46,318</u>	<u>52,644</u>
	<u>46,318</u>	<u>52,644</u>

**8 Creditors: liabilities falling due within one year**

Trade creditors	3,738	-
Taxation and social security	7,002	810
Accruals	7,100	23,568
Deferred Income (Note 9)	<u>57,670</u>	<u>-</u>
	<u>75,510</u>	<u>24,378</u>

**9 Deferred Income**

	Opening balance £	Income released in year £	Income deferred £	Closing balance £
Donation and grant income deferred	-	-	57,670	57,670
	<u>-</u>	<u>-</u>	<u>57,670</u>	<u>57,670</u>

The deferred income at the year end primarily reflects the element of grants received in the year with performance related conditions which had not been completed until the 2016/2017 accounting period.

**CENTRE FOR THEOLOGY AND COMMUNITY LIMITED**

**Notes to the Accounts  
FOR THE YEAR ENDED 5 APRIL 2016**

**10 Funds**

The restricted funds represent amounts received for specific purposes and the movements in the year are as follows:

	Opening balance £	Incoming resources £	Outgoing resources £	Transfers in the year £	Closing balance £
AllChurches Trust	-	14,269	(14,269)	-	-
Anchor Foundation	771	-	(771)	-	-
Buxton180	721	-	-	-	721
Buxton180 (Primrose Hill)	-	2,448	(2,448)	-	-
Camellia Foundation	-	5,000	(5,000)	-	-
Chapter1	1,198	-	(1,198)	-	-
Church & Community - ConDev	-	10,000	(10,000)	-	-
Church Urban Fund/Near Neighbours	-	28,081	(28,081)	-	-
Citizens UK	5,000	-	(5,000)	-	-
Donations (Central)	-	576	(576)	-	-
Hackney Parochial Charities	2,500	-	(2,500)	-	-
James Knott Family Trust	5,968	-	(5,968)	-	-
Jerusalem Trust	-	30,000	(30,000)	-	-
Lloyds	17,721	104,770	(122,491)	-	-
London Diocesan Fund	-	38,000	(38,000)	-	-
MB Reckitt Trust	-	8,500	(8,500)	-	-
Sir Halley Stewart	2,077	11,400	(13,477)	-	-
The Lady Peel Legacy Trust	-	900	(900)	-	-
The Mercers' Company	-	9,125	(9,125)	-	-
Together in Service	2,000	-	(2,000)	-	-
West Hackney Parochial Charities	2,500	-	(2,500)	-	-
William Leech Foundation Ltd	3,817	687	(4,504)	-	-
<b>Total</b>	<b>44,273</b>	<b>263,756</b>	<b>(307,308)</b>	<b>-</b>	<b>721</b>

The assets and liabilities represented by the various funds are as follows:

	Fixed assets £	Bank& cash balances £	Other net assets £	Total £
Restricted funds	-	38,708	(37,987)	721
Unrestricted funds	-	7,611	12,701	20,312
	-	46,318	(25,285)	21,033

**11 Events since the year end**

None

**12 Members**

Each member of the company commits to contribute if the charity is wound up an amount of £1.