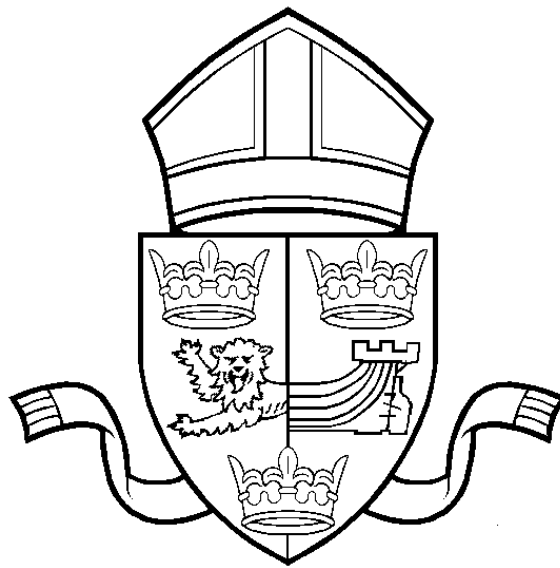


The St Edmundsbury and Ipswich Diocesan Board of Finance



2010 Report and Financial Statements

Company Limited by Guarantee

Registration No 143034

Charity Registration No 248919

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

CONTENTS

Directors' and Trustees' Report	2
Auditors' Report	19
Consolidated Statement of Financial Activities	21
Consolidated Summary Income and Expenditure Account	22
Consolidated Statement of Total Recognised Gains and Losses	23
Consolidated Note of Historical Cost Profits and Losses	23
Consolidated Balance Sheet	24
Charity Balance Sheet	24
Cashflow Statement	25
Notes to the Cashflow Statement	26
Statement of Accounting Policies	27
Notes to the Financial Statements	31
The following pages do not form part of the audited accounts	
Appendix I - Unrestricted Fund Budget Outturn	50
Appendix II – Diocesan Pastoral Account	52
Appendix III – Diocesan Stipends Fund	53
Appendix IV – Parish Share Deanery Summary	54

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

THE TRUSTEES' AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010

The trustees, who are also directors for the purposes of company law, present their combined trustees' report and directors' report, together with the audited financial statements, for the year ended 31 December 2010.

This report refers to the Diocese of St Edmundsbury & Ipswich except for parts of section 8 and is set out as follows:

1. Directors, Trustees and Administration
2. Chairman's Statement
3. Objectives
4. Activities, Benefits and Achievements
5. Financial Review
6. Future Developments
7. Auditors
8. Structure, Governance and Management

1. DIRECTORS, TRUSTEES and ADMINISTRATION

The name of the charity is the St Edmundsbury and Ipswich Diocesan Board of Finance and its registered office is the Diocesan Office, St Nicholas Centre, 4 Cutler Street, Ipswich IP1 1UQ. Telephone 01473 298500, website www.stedmundsbury.anglican.org.

The charitable company is limited by guarantee and registered under the Companies Act 1985 Company No 143034. It is governed by the Memorandum and Articles of Association and set up under the provisions of the Diocesan Boards of Finance Measure 1924. It is a Registered Charity, Charity No 248919 and it is subject to both Company Law and Charity Law.

In accordance with the Companies Act 2006, the Statement of Recommended Practice : Accounting and Reporting by Charities issued in March 2005 (SORP 2005), and in accordance with the new governance structures (section 8), the trustees (for the purposes of charity law) and directors (for the purposes of company law) during the year and as at the date of signing were as follows:

President (ex officio): The Rt Revd W N Stock, Lord Bishop of St Edmundsbury and Ipswich
Chairman (Co opted): Mr G F Woodward, Chairman of the Finance Committee
Ex officio: The Ven Dr J M Hunt Archdeacon of Suffolk
Ex officio: The Ven Dr D H Jenkins Archdeacon of Sudbury (appointed 19.02.2010)
Ex officio: The Rev I D J Morgan Chairman of the House of Clergy
Ex officio: Canon B R Rowe, Chairman of the House of Laity
Ex officio: The Very Revd Dr Frances Ward Dean of St Edmundsbury (appointed 16.10.2010)
Ex officio: Rt Revd C Young Member of the House of Bishops
Elected: Mr T E Allen Diocesan Advisory Committee
Elected: Mr G McGregor House of Laity
Elected: Mr G A P Leigh-Pollitt House of Laity
Elected: Mr J Barker House of Laity
Elected: Mr D J Lamming House of Laity
Elected: The Rev J T Olanczuk House of Clergy
Elected: The Rev M E Osborne House of Clergy (resigned 29.01.2010)
Elected: The Rev A J Redman House of Clergy (appointed 13.03.2010)
Elected: Prof L D Smith House of Laity
Elected: Canon P R Smith House of Laity
Elected: The Rev M N C Sokanovic House of Clergy (appointed 13.03.2010) (resigned 01.08.2010)
Elected: Mr C J E Spicer House of Laity
Elected: The Rev M J A Tillet House of Clergy
Elected: Mr J R Woods House of Laity

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Diocesan and Company Secretary and Chief Executive

Mr Nicholas P Edgell, MCIQB, FFB, MIOC, MiconstM, FIGS, MASI

Company Advisers

Auditors: Ensors, Chartered Accountants, Cardinal House, 46 St Nicholas Street, Ipswich. IP1 1TT

Bank: The Royal Bank of Scotland plc, 8-10 Princes Street, Ipswich, IP1 8QT

Diocesan Registrar: Mr J S Hall, MA, 20/32 Museum Street, Ipswich, IP1 1HZ

Insurers: Ecclesiastical Insurance Group, Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

Investment Advisers: CCLA Investment Management Limited, 80 Cheapside, London, EC2V 6DZ

Surveyors: Messrs Clarke and Simpson, Chartered Surveyors, Well Close Square, Framlingham, IP13 9DU

Diocesan Administration Team

Deputy Diocesan Secretary: Nicola Andrews LLB

Assistant Diocesan Secretary: Gavin Stone BA(Hons), PGDM

Diocesan Advisory Committee and Pastoral Committee Secretary: James Halsall

Diocesan Accountant: Katy Reade BSc(Hons), ACA

Assistant Diocesan Secretary (deployment, planning and policy): Revd Canon Graham Hedger BA

Parish Resources Adviser: Revd Canon Fr Jim Pendorf BA (Phil) magna cum laude, STB cum laude

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

2. CHAIRMAN'S STATEMENT

Looking back on 2010, it was a good year for the Diocese. The Bishop's pilgrimage to the Holy Land and his visit to our Link Diocese of Kagera, the appointment of a new Archdeacon of Sudbury and Dean and a well-received two day Clergy conference were highlights but a full complement of Stipendiary Clergy, the appointment of a Tourism Officer, a packed DAC agenda (demonstrating the continuing improvement to the fabric and facilities of our 450+ church buildings) and the bedding down of the merged Bishop's Council and DBF (policy and finance combined together in one body) were all encouraging signs of a church engaging in its work of ministry and mission to the people of Suffolk.

All that work comes at a cost – and the columns of figures in this report put all that work in to a financial context but what they don't immediately reveal is the substantial amount of “family silver” that, yet again, had to be sold to fund our activities. Over £800,000 of capital reserves have had to be used to fund 2010's revenue expenditure. Our auditors rightly counsel against such a practise unless it is in a planned way and on a short term basis. Our expenditure which now runs at over £8m pa has been managed for the last 5 years to within 1% of budget and 2010 was no exception with a 0.2% overspend but it is our income levels where the problems lie.

David Cameron's “Big Society” although inadequately defined, offers the church an enormous opportunity to recapture lost ground of our being at the centre of community life. But, as with ‘UK plc’, St Eds & Ips ‘plc’ has been living beyond its means for some years and we simply have to take some serious measures to put our financial house in order and be good stewards of our resources. Two working parties have therefore begun work at Bishop Nigel's instigation to, firstly, look at ways in which we can reduce our expenditure without (hopefully) making root and branch cuts to our mission and ministry and, secondly, to examine the challenging subject of ‘giving’.

Year on year we are having to move towards becoming financially self-sufficient. The financial feather bedding of yester year's grants from the Central Church are a thing of the past and the shape of our Diocese for its second century, beginning in 2014 (our centenary year) is in our hands, the members of today's church. What kind of church are we willing to pass on to the generation which follows? Its size and shape tomorrow will be a direct function of our generosity today.

No DBF Chairman's report would be complete without a reference to parish share. In 2010 75% of our parishes paid the full amount of the parish share requested of them through their deaneries many of whom did so in a self-sacrificial way. To you all I extend my gratitude. To the 25% who could not, we do as members of one family all need to recognise the effect this has on our finances. It can no longer be a matter over which we simply draw a veil, as we close the accounts each year - a subject we choose not to talk about. I have spoken at Synod and other meetings since becoming DBF Chairman about the three M'S Mission, Ministry and Money as, without money, there will be no mission and ministry.

As I go around the Diocese meeting different people in different situations I feel challenged and encouraged in equal measure. Challenged that we have a huge task ahead of us to get our finances back on to a solid footing but encouraged at the quiet determination of so many people who are saying “not on our watch” will we let the Church of England in Suffolk recede into obscurity and irrelevance in our community.

Mr George Woodward
Chairman of the St Edmundsbury & Ipswich Diocesan Board of Finance

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

3. OBJECTIVES

The objects of the Board of Finance are to promote and assist the work and purposes of the Church of England in the Diocese of St Edmundsbury and Ipswich and in particular to organise and provide funds in support of the work of the Church and for the following essential areas of the Church's work:

- i) Training for, and maintenance of the ministry, both stipendiary and non stipendiary, including the provision of pensions for stipended ministers.
- ii) Securing sites for and providing for the building, alteration, improvement and repair of church buildings, mission rooms, church halls, parsonage houses, hostels, clergy houses and other buildings to be used in connection with any objects of the Board.
- iii) Religious education in all its branches, including the acquisition of buildings, equipping, improving and repairing Church of England schools and colleges.
- iv) Provision of expenses of Diocesan and central organisation.

The church's objects can, if approved by Diocesan Synod and sanctioned by the Bishop, be carried out beyond the Diocesan borders.

4. ACTIVITIES, BENEFITS and ACHIEVEMENTS

Public Benefit

The directors are aware of the Charity Commission's guidance on public benefit and, in particular, the supplementary guidance for charities whose aims include advancing religion and have regard to that guidance in their administration of the charity.

The directors believe that, by promoting the work of the Church of England in the Diocese of St Edmundsbury & Ipswich, it helps to promote the whole mission of the Church (pastoral, evangelistic, social and ecumenical) more effectively, both in the diocese as a whole and in its individual parishes, and that in doing so it provides a benefit to the public by:

- Providing facilities for public worship, pastoral care and spiritual, moral and intellectual development both for its members and for anyone who wishes to benefit from what the Church offers; and
- Promoting Christian values, and service by members of the Church in and to their communities, to the benefit of individuals and society as a whole.

Activities and Achievements

i) Training for, and maintenance of the ministry, both stipendiary and non stipendiary, including the provision of pensions for stipended ministers.

The Board contributes to the central training costs of stipendiary clergy, supports individuals with families while training and provides parish placements for curates including their housing, stipends and pension.

In addition the Board runs its own training scheme for local ministers, readers and lay elders, as well as providing ongoing training for all licensed ministers. When stipendiary ministers are deployed to benefices, the Board meets the costs of their stipend, pension and housing.

Parishes are asked to make a contribution on a voluntary basis through the Parish Share, to the costs of ministry incurred by the Board.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

In 2010 the Board funded the full time equivalent of 119.0 stipendiary clergy in benefice and mission posts, and 17.4 curates.

	2010 Actual Full Time Equivalents	2009 Actual Full Time Equivalents
Stipendiary parochial clergy	119.0	120.5
Curates	17.4	15.9
House for Duty	2.0	3.0
Administrative staff in lieu of clergy	1.4	1.4
	139.8	140.8
Total parochial stipends & pensions	£4,483,000	£4,281,000

ii) Securing sites for and providing for the building, alteration, improvement and repair of church buildings, mission rooms, parsonage houses, hostels and other buildings to be used in connection with any objects of the Board.

The costs of maintenance, repair and improvement of church buildings are borne by the individual parishes concerned, but they are supported in the care of their churches through the Diocesan Advisory Committee. This group provides advice and grants faculties in respect of the alteration and improvement of church buildings.

The Board manages a large number of houses to enable the maintenance of parochial ministry. These are principally the glebe and parsonage properties.

	2010	2009
Number of glebe and parsonage properties	168	166
Costs of maintenance and improvements	£553,000	£492,000
Average expenditure per property	£3,290	£2,960

iii) Religious education in all its branches, including the acquisition of buildings, equipping, improving and repairing Church of England schools and colleges.

The Board of Education engages with Church of England schools in the diocese, to help them with religious education, admissions, staff and governor appointments. In addition the Board assists in the management of capital projects as schools look to repair, maintain and improve their facilities. The number and value of the projects assisted with (but not financed) in 2010 are detailed on page 6.

In addition to work in schools, the Board of Finance provides for Youth and Children's officers, to engage in local and diocesan wide initiatives.

Much of the Board of Education funding is generated from investment income arising from the investment of closed school proceeds, with the funding for other initiatives found from Parish Share.

	2010	2009
Number of projects	63	62
Project expenditure in the year	£1,449,075	£1,603,500

iv) Provision of expenses of Diocesan and central organisation. Office services, accounts and governance costs.

The Diocese is a complex organisation. Episcopally led by the Diocesan Bishop, the policies are decided by a hierarchical structure from Parochial Church Councils, through Deaneries to Diocesan Synod.

Beyond this structure are the working and advisory committees including the Bishop's Council, Pastoral Committees, the Property Committee, the Finance Committee, Agenda Planning Group, Board of Education, Diocesan Advisory Committee and other ad hoc groups as needed.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

All these committees require administrative support, and together with the costs of legal advisers, these items make up the governance and support costs of the organisation (see notes 13 & 16 to the accounts).

The funding for these costs falls on the parishes through the voluntary parish share, and it is part of the Board's responsibilities to recommend the total expenditure required for the year to come, and how much of that expenditure is to be met through parish share.

Despite the depressed global financial outlook and fall in investment income, which adversely affected the income of most parishes, in 2010 the share received was £80,000 more than in 2009. This was £448,000 less than requested however, and represents a continuation of the significant under-receipt in share, with the consequent continuing use of capital receipts to fund operating shortfalls.

	2010	2009
	£000	£000
Parish share requested	6,610	6,480
Parish share received	6,162	6,082
Percentage received as a total of share requested	93.2%	93.9%

Statutory activities

St Edmundsbury and Ipswich Diocesan Board of Finance has responsibility for the management of glebe property and investments, to generate income to support the cost of stipends. It is the Diocesan Authority for the parochial and other trusts and incorporates the functions and responsibilities of the Diocesan Parsonages Board.

The trustees are custodian trustees in relation to PCC property and for trust investment assets with a market value at 31 December 2010 of £2.9m (2009 £2.9m). The investments are held on behalf of Parochial Church Councils and Vicars and Churchwardens, for trusts which benefit the parishes and so fall within the objects of the charity. Each parochial church council is a separate charity. The assets are held separately from those of the Board.

Grant-making (beneficiary-selection) policy

Grants are made to the National Church to cover a proportion of its central costs and also to cover the cost of training for ministry (see note 10 to the financial statements). Grants are paid to other connected charities and to other charitable projects which appear to the Board to support the furtherance of St Edmundsbury and Ipswich Diocesan Board of Finance's objects. (See note 15 to the financial statements).

5. FINANCIAL REVIEW

Group – Overall financial position

The following table summarises the group's total income and expenditure:

	2010	2009	Increase/	%
	£000	£000	(decrease)	change
Income				
Parish share	6,162	6,082	80	1.3
Investment income	475	495	(20)	(4.0)
Other income (£100,000 legacy in 2009)	1,474	1,656	(182)	(11.0)
	8,111	8,233	(122)	(1.5)
Expenditure				
Parochial stipends & pensions	4,483	4,281	202	4.7
Other expenditure	4,146	4,174	(28)	(0.7)
	8,629	8,455	174	2.1
Deficit before revaluations and investment disposals.	(518)	(222)	(296)	

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Income fell by £122,000 despite the £80,000 increase in parish share receipts. This was due to a legacy of £100,000 received in 2009 and a fall in profits on disposal of properties of £93,000.

Expenditure increased by £174,000 from 2009. Clergy pensions cost £197,000 more following the increase in contribution rate from 39.7% to 45%, expenditure on property increased by £61,000 and Schools spending by £60,000. The effect of these increases has been reduced in the accounts by writing back £140,000 of property impairments, which were recognised in 2008 and the properties have now partly recovered their values.

The net deficit for the year before revaluations and investment disposals was £518,000 (2009 £222,000). Without the write back of £140,000 of impairment costs the deficit would have been £658,000. After the remaining revaluations and investment disposals there was a group surplus of £877,000 (2009 surplus £144,000), increasing the group's net assets to £81m.

There was an overall net cash (including current asset investments) outflow during the year of £864,000. Operating activities including investment income resulted in a net cash outflow of £800,000, with property and investment transactions also returning a cash outflow of £64,000 following more property purchases than sales in the year.

After making enquiries the trustees are satisfied that St Edmundsbury and Ipswich Diocesan Board of Finance has adequate resources to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

Unrestricted Funds

The first column of the statement of financial activities (SoFA) on page 21 encompasses the unrestricted funds of the Board of Finance.

The overall result for the year was a net decrease in funds of £398,000 (2009 increase £117,000). This decrease is after taking into account transfers in from other funds of £70,000 (2009 £620,000), and revaluations of £104,000 (2009 £8,000). The result of the unrestricted fund before these adjustments was a deficit of £572,000 (2009 deficit £511,000).

The deficit before transfers of £572,000 was in the main due to the shortfall in parish share receipts of £448,000 (2009 £398,000), although a deficit of £289,000 had been budgeted for. There was a small mitigation of the deficit through the transfer of property ownership, and a further reduction through the revaluations of £104,000, but the gap between operating expenditure and sustainable income has continued to increase.

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have in its unrestricted fund on an ongoing basis. Reserves are needed to ensure the substantial running costs of the Diocese are met on a timely and regular basis and to cover unforeseen or unplanned events. The Board of Finance is reliant on donations from parishes for income. These donations are not all received in regular equal instalments across the year, with some parishes paying in arrears. This fact, coupled with the risk of external economic factors on the communities' ability to pay in any one year, and the ongoing and significant shortfalls in share received compared to that required, means that the Board considers it prudent to retain sufficient funds in liquid form to meet at least six weeks' worth of budgeted costs - £964,000. At 31st December 2010 the Board held unrestricted liquid assets of £1,118,000 (2009 £2,016,000). Although these funds are in excess of £964,000, with income continuing to fall significantly short of target, and in the light of the review of strategy and structures, the additional funds are not considered excessive.

Appendix I to the accounts details the budget out-turn for the unrestricted fund before the netting off of income and expenditure relating to other funds and before the inclusion of Churchgates 2000 Limited.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Funds

Restricted Funds are made up of a number of funds with different legal restrictions (see note 24). The principal funds are the Diocesan Pastoral Account (DPA), the Schools Income Fund and a collection of trusts for which the Board is not just custodian trustee, but is also responsible for managing the investments and in some cases directing the income. The restricted fund column as shown in the SoFA on page 21 is made up of these funds as follows:

	DPA £000	Schools £000	Trusts £000	2010 £000	2009 £000
Total incoming resources	12	170	129	311	439
Total resources expended	(228)	(231)	(123)	(582)	(436)
Net (outgoing)/incoming resources before transfers	(216)	(61)	6	(271)	3
Transfers	572	41	-	613	623
Net incoming/(outgoing) resources before revaluations & investment disposals	356	(20)	6	342	626
Revaluations & investment disposals	-	-	8	8	9
Net movement in funds	<u>356</u>	<u>(20)</u>	<u>14</u>	<u>350</u>	<u>635</u>

Incoming resources were down by £128,000 to £311,000 mainly due to the £100,000 bequest in 2009. Restricted expenditure increased by £146,000 with increases across all funds, including £60,000 on the Schools Fund.

The main transfer was the £572,000 received into the Diocesan Pastoral Account in respect of property sale proceeds in excess of expenditure.

The level of income of the Diocesan Pastoral Fund fluctuates depending on the disposal of benefice properties, which have not been transferred to other funds under pastoral schemes. Funds from this account are primarily used for parsonage building and improvement. Due to the nature of this fund the trustees have not established a level of reserves that ought to be maintained. At 31 December 2010 free reserves (net of long term debtors) were £1.370m (group and company), (2009 £770,000).

The Schools Fund budgets and reserves are set on a rolling three year basis during which time the level of reserves will vary. A large variation of cash flow means that the level of reserves required also shows large fluctuations.

Income generated from trusts and received for specific projects is spent on those projects or purposes as soon as required. Where there is no requirement for future funding above the levels of future income all reserves are spent where there is the opportunity to do so.

Endowments

The endowment funds are constituted by several legally defined funds as described more fully in note 24 to the accounts. Their results for the year as reported in aggregate by the group SoFA on page 21 were as follows:

	Parsonages £000	DSF Capital £000	Schools £000	Trusts £000	2010 £000	2009 £000
Total incoming resources	201	-	-	-	201	290
Total resources expended	25	99	-	-	124	(4)
Net incoming resources before transfers	226	99	-	-	325	286
Transfers	(1,096)	414	(1)	-	(683)	(1,243)
Net (outgoing)/incoming resources before revaluations	(870)	513	(1)	-	(358)	(957)
Revaluations & investment disposals	287	768	85	143	1,283	349
Net movement in funds	<u>(583)</u>	<u>1,281</u>	<u>84</u>	<u>143</u>	<u>925</u>	<u>(608)</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

£178,000 of the net incoming resources before transfers relates to surpluses on the disposal of properties as detailed in note 19. There is a £140,000 credit against expenditure in respect of properties previously written down as impaired, but whose values have started to recover. Transfers are in respect of property sales, purchases, improvements and transfers of ownership.

Investment and property values improved by £1.05m over the year compared to the £349,000 increase for investments in 2009 and zero increase for properties. There was a surplus on disposal of Glebe lands of £232,000.

Churchgates 2000 Limited

Churchgates 2000 Limited is the wholly owned trading subsidiary of the charity. At the start of 2010, the company was funded entirely by loans from the parent company. The short term nature of these loans did not match the long term assets which they were funding, consequently during 2010 the parent company purchased Share Capital in Churchgates 2000 Limited of £3,399,999, which the charity believes to be in the interests of the charity in the long term, and to be sufficiently backed by the fixed assets held in the subsidiary and the expected returns therefrom. The loans from the charity were repaid from the capital received. These transactions were reflected in the Stipends Capital Fund (Appendix III) and this is the fund into which all the assets and liabilities of Churchgates 2000 Limited are consolidated. All income generated by the Stipends Capital Fund is credited to the Board's unrestricted fund, which includes the income from Churchgates 2000 Limited.

The results and balance sheet for the company are shown in note 20 to the accounts.

In 2010 the subsidiary generated a profit of £38,000, (2009 loss £1,000) from a turnover of £284,000 (2009 £284,000). In 2010 the holding company continued to suspend their requirement for Churchgates 2000 Limited to pay interest on any loans, pending the capital restructuring of Churchgates 2000 Limited. In 2010 the property valuations remained at their written down level, however the charity directors are of the opinion, that the value in use of the St Nicholas Centre and office complex is considerably greater than its market value as shown in the accounts.

The balance sheet shows net assets at 31 December 2010 of £2.1m (2009 net liabilities £1.3m).

Investments

The Diocesan Board of Finance holds investments to generate income, to help ensure the continuity of its charitable objectives. The majority of the investment funds are held in the Diocesan Stipends Capital Fund. Investments are at the discretion of the Directors, however, they draw upon the Trustee Act 2000 to ensure best practice and compatibility across all the Board's investment decisions and operate within the Board's agreed investment policies. The Board has adopted in its investment policy the Statement of Ethical Investment Policy produced by the Church of England's Ethical Advisory Group. This policy is also supported and participated in by CCLA, where the majority of funds are invested. This policy seeks to invest in companies that can demonstrate responsible employment and best corporate governance practices, are conscientious with regard to environmental performance and human rights, and act with sensitivity to the communities in which they operate.

Investments comprise some 9.2% by value of the balance sheet. The group investment holdings are shown in the table below.

	Valuation 2010	Valuation 2009	Net income 2010	Net income 2009
	£000	£000	£000	£000
CBF Investment Fund	5,225	4,880	218	217
CBF Property Fund	1,041	1,004	79	78
Glebe Land	1,150	903	33	31
Other	41	38	1	1
Total	7,457	6,825	331	327

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Quoted investments held at 31 December 2010 were valued at £6.3m (2009 £5.9m). The composite index used to assess the performance of the investments is structured to reflect the structure of the fund and its long-term objectives. Overall returns on the Investment Fund were on track to meet the investment objectives but below those of the comparator index. This reflected mainly the relative returns of the equity portfolio where the higher value stocks held returned less than the market as a whole. The Property Fund's return is slightly below that of the benchmark, this substantially reflects valuation timing effects. Quarterly and annual investment reports are provided by the investment advisers.

	Total Return 12 months %
CBF Investment Funds	13.3
Composite: FTSE All-Share 60%, FTSE World ex UK 20%, IPD All Properties 10% & FTSE UK Government All Stocks 10%.	<u>14.4</u>
CBF Property Funds	10.9
IPD Balanced Property Unit Trust Index	<u>12.1</u>

Land

Investment in glebe land was valued in the financial statements at £1.15m as at 31 December 2010 (2009 £903,000). The net rent received for 2010 was £33,000 (2009 £31,000). Property is managed by the Diocesan Surveyor, Christopher Clarke FRICS of Messrs Clarke and Simpson, Chartered Surveyors, as professional managing agents. They report on a regular basis to the Property Committee which provides oversight and sets policies. All parcels of land are kept under regular review to ensure the most appropriate action can be taken to maximise the Board's return in respect of each piece.

Churchgates 2000 Limited

Churchgates 2000 Limited is the 100% owned subsidiary of the Board of Finance. Of the two properties owned by Churchgates 2000 Limited, one comprises the diocesan office and the St Nicholas Centre – primarily a diocesan meeting space and home for Synod, the other – 11 St Nicholas Street, is held purely for investment purposes. As with other investments the primary aim is to ensure long term income. The property is subject to a long term lease, currently returning £48,000pa. In addition to the rental income and despite the current adverse market conditions, it is expected that the property will be disposed of at a profit at an appropriate point in a future business cycle. The property is held as a long term investment.

	2010 £000	2009 £000
11 St Nicholas Street – valuation at 31 December	800	800
Income	<u>54</u>	<u>50</u>

6. FUTURE DEVELOPMENTS

The main objective of the Board remains the delivery of parochial ministry across the whole diocese. The traditional model for this has been the deployment of stipended clergy to benefices, ably assisted by local and lay ministers, whose work load has steadily increased as the numbers of stipendiary clergy available nationally have steadily decreased.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Although parish share receipts have increased year on year, the amount needed has increased by a greater amount and as a result shortfalls have also increased. These shortfalls are met primarily from the sales proceeds of properties no longer required as parishes reorganise in the light of falling stipendiary minister numbers.

To address the shortfall in income, work continues to review and improve the allocation system for parish share, and initiatives are being undertaken to assist parishes with stewardship. These measures alone will not significantly reduce the increasing deficits in the medium term. To tackle these deficits, a group has been established to review all areas of the Board's expenditure with a view to producing recommendations, which, if approved by Synod, could significantly reduce the deficits currently experienced and so help secure a stable financial environment for the provision of the Church's mission into the future.

7. AUDITORS

A resolution to reappoint Ensors as auditors to the company and to authorise the trustees to fix their remuneration will be proposed at the Annual General Meeting.

8. STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

The Church of England is organised as two provinces; each led by an archbishop (Canterbury for the southern province and York for the northern). Each province is comprised of dioceses of which there are 43 in England.

Each diocese in England is made up of parishes. Each parish is overseen by a parish priest (usually called a vicar or rector). From ancient times through to today they and their bishop are responsible for the 'cure of souls' in their parish.

Her Majesty the Queen, who is the Supreme Governor of the Church of England, appoints archbishops, bishops and deans of cathedrals on the advice of the Prime Minister following a consultative process. The two archbishops and 24 of the senior bishops sit in the House of Lords.

The Church of England is episcopally-led. There are 108 bishops (including Diocesan Bishops, Honorary Assistant and Suffragan Bishops). The Church is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, Clergy and Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the church.

The three National Church Institutions (NCI)

The Archbishops' Council, the Church Commissioners and the Church of England Pensions Board are sometimes referred to as the three National Church Institutions.

The Archbishops' Council was established in 1999 to co-ordinate, promote, aid and further the mission of the Church of England. Its task is to give a clear sense of direction to the Church nationally and to support the Church locally by acting as a policy discussion forum.

The Church Commissioners manage the historic assets of the Church of England, spending most of their income on pensions for the clergy. The costs of episcopal administration through the diocesan and suffragan bishops are also met by the Church Commissioners.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The Church of England Pension Board was established by the Church Assembly in 1926 as the Church of England's pension's authority and to administer the pension scheme for the clergy. Subsequently it has been given wider powers, in respect of discretionary benefits and accommodation both for those retired from stipendiary ministry and for widow(er)s of those who have served in that ministry, and to administer pension schemes for lay employees of Church organisations.

The Board, which reports to General Synod, is trustee of a number of pension funds and charitable funds. Whilst the Church has drawn together under the Board its central responsibilities for retirement welfare, the Board works in close cooperation both with the Archbishops' Council and with the Church Commissioners.

The Cathedral

The cathedral is the mother church of the diocese and legally is constituted as a separate charity currently exempt from Charity Commission registration and supervision. Copies of its trustees' report and financial statements may be obtained from the Cathedral Office, Abbey House, Angel Hill, Bury St Edmunds IP33 1LS.

The information about General Synod, the Church Commissioners, the Archbishops' Council and Cathedral is included as background only. The financial transactions of these bodies do not form part of these financial statements, excepting only that money flows both to and from the Board, the cathedral and the NCIs.

The Diocese

The Diocese of St Edmundsbury & Ipswich was created in 1914 and broadly took its present form in 1924. It is arranged as three archdeaconries, Ipswich covering the South Eastern part with 7 deaneries, Suffolk the North Eastern part with 6 deaneries and Sudbury the Western part with 6 deaneries. In total there are some 443 parishes. The three archdeaconries were overseen by two archdeacons, one for Suffolk and one for Sudbury, with the Ipswich deaneries being shared between them.

The diocese is the principal pastoral and in turn financial and administrative resource of the Church of England, encompassing the various archdeaconries under the spiritual leadership of the Diocesan Bishop.

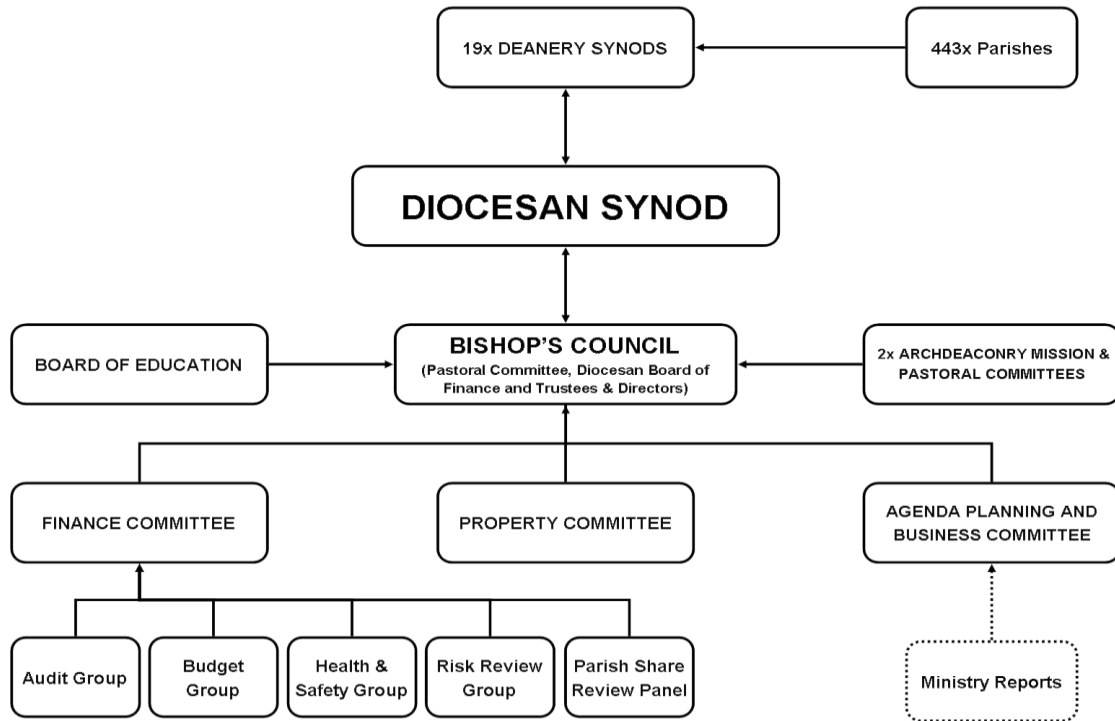
A parish or group of parishes form a benefice, served by an incumbent who typically receives a stipend and the benefit of free occupation and use of a parsonage house, managed and maintained by the Board, for carrying out spiritual and pastoral duties.

Governance

The Bishop's Council brings together policy-making and financial management, and also satisfies the requirements of Dioceses, Pastoral and Mission Measure 2007. The body has three legal identities, Bishop's Council and Standing Committee, the Diocesan Board of Finance and the Diocesan Mission and Pastoral Committee. All three have the same membership and meet at the same time and place. The members are accountable as both charity trustees and company directors. This consolidation brings together policy and money, so that those whose task is making policy understand the financial implications of that policy – and therefore whether that policy is financially viable, and secondly so that those whose task is funding policy are presented with achievable levels of funding to find.

The simplified diagram below shows the committee structure. There are other committees, groups, reference groups and working groups some of which are set up under ecclesiastical legislation such as the Diocesan Advisory Committee which are not included below.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE



Committee and Organisational Structures

Diocesan Synod

The statutory governing body in the Diocese is the Diocesan Synod, which is an elected body with representation from all parts of the diocese and is directed by Standing Orders and the Church Representation Rules. Membership consists of ex officio members, including the Bishops and Archdeacons, clergy members elected by the Houses of Clergy in Deanery Synods, lay persons elected by the Houses of Laity in Deanery Synods, up to five persons who may be co-opted by the House of Clergy or the House of Laity and a maximum of ten members nominated by the Diocesan Bishop. The Diocesan Synod usually meets three times a year. Many of Diocesan Synod's responsibilities have been delegated to the Bishop's Council. Its role is to:

- Consider matters affecting the Church of England in the diocese
- Act as a forum for debate of Christian opinion on matters of religious or public interest
- Advise the bishop where requested
- Deal with matters referred by General Synod
- Approve and provide the arrangements for the financing of the diocese

Deanery Synod

Deanery Synod has two Houses, Laity and Clergy, and its role is to:

- Respond to requests from General Synod
- Give effect to the decisions made by Diocesan Synod
- Consider matters affecting the Church of England by drawing together the views of the parishes within the deanery
- Act as a channel of communication to express the views of parishes to Diocesan Synod and thence to General Synod
- Raise with Diocesan Synod such matters as it considers appropriate and elect members of the deanery to the Diocesan Synod and to General Synod.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Parochial Church Council (PCC)

The PCC is the elected governing body of an individual parish which broadly is the smallest pastoral area in the Church of England. The PCC is made up of the incumbent as chair, the churchwardens and a number of elected and ex officio members. Each PCC is a charity, and all are currently excepted from registration with the Charity Commission, subject to the Charities Act 2006 under which those above £100,000 gross income for the year were required to register from February 2009. Except where shown, the transactions of PCCs do not form part of these financial statements. Financial statements of an individual PCC can be obtained from the relevant PCC treasurer.

The Bishop's Council

Under the constitution of the Diocesan Synod, Bishop's Council has the following functions:

- To plan the business of the Synod, to prepare the agenda for its sessions and to circulate to members information about matters for discussion
- To initiate proposals for action by the Synod and to advise it on matters of policy
- To advise the Diocesan Bishop as President on any matter
- Subject to the directions of the Synod, to transact the business of the Synod when the Synod is not in session
- Subject to the directions of the Synod, to appoint members of committees or nominate individuals for election to committees
- To carry out such functions as the Synod may delegate to it.

In its capacity as the Board of Finance the Bishop's Council members are responsible for finding the funding for the work of the Diocese.

The Bishop's Council members are also the directors and trustees of the Diocesan Board of Finance, whose responsibilities include:

- Management of the funds and property of the Diocese
- Preparation of annual estimates of expenditure
- Advising on action needed to raise the income necessary to finance expenditure
- Oversight of expenditure by bodies in receipt of Diocesan Synod's funds against estimates of expenditure approved by Diocesan Synod
- Advising Diocesan Synod of the financial aspects of its policy and on any other matters referred to it
- Carrying out any other functions delegated by Diocesan Synod

The Board of Trustees has delegated responsibility for their day to day management of the company to the Diocesan Secretary and Chief Executive Officer who is supported by a small team working out of the Diocesan Office.

Other Major Operating Committees of the Bishops' Council

- The Property Committee - manages the housing of the clergy and deals with the maintenance of glebe houses and land.
- The Finance Committee – oversees the accounts and audit process, prepares management accounts, manages the assets and investments, oversees the budget preparation, makes recommendations regarding stipends, salaries and conditions and receives reports from the Parish Share Review Panel.
- The Risk Review Committee
- The Budget Review Committee
- The Parish Share Review Panel
- The Archdeaconery Mission and Pastoral Sub-Committees – advise on the re-organisation of parishes and benefices.
- The Agenda Planning and Business Committee – responsible for recommending to the Bishop's Council the agenda for Synod and approving the agenda for Bishop's Council.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Other Diocesan Committees with which the Bishop's Council works

- The Diocesan Advisory Committee – a statutory body which advises the chancellor and the Archdeacons before a faculty is granted
- The Board of Education – a statutory body which provides advice, guidance and resources for Church schools and others in the diocese

Management - Trustees

Appointment of Trustees

The directors are appointed as follows:

Ex Officio:

- The Bishop of the Diocese,
- All other members of the House of Bishops
- The Chairman of the House of Clergy of the Diocesan Synod
- The Chairman of the House of Laity of the Diocesan Synod
- The Dean of St Edmundsbury
- The Archdeacons

Elected:

- Four persons elected by and from the members of the House of Clergy of the Diocesan Synod
- Eight persons elected by and from the members of the House of Laity of the Diocesan Synod
- One person appointed by the Board of Education
- One person appointed by the Diocesan Advisory Committee

Co-opted:

- Up to five co-opted members (one of whom will normally be the Chairman of the Finance Committee.)

Induction and Training of Trustees

In recognition of the increasing complexity and responsibilities of trusteeship an induction pack for trustees has been developed for use as an introductory educational tool and an ongoing resource.

Delegation of Day to Day Management Matters

Because of the scale of the charity's work, the trustees have necessarily delegated the day to day management matters of the charity to the Diocesan Secretary who is Secretary of the Diocesan Synod and the Chief Executive of the Board.

Deployment of Clergy and Direction of Mission and Ministry

The deployment of parochial clergy and matters relating to the direction of mission and ministry in the diocese are managed through the Bishop's Staff meetings. These are regular meetings comprising the Diocesan and Suffragan Bishops, the Dean, the Archdeacons, the Diocesan Secretary, the Assistant Secretary (deployment planning and policy) and the Bishop's Chaplain. Other Officers and advisors are invited to attend either on an ad hoc or regular basis as needs arise.

Trustees' Responsibilities

The trustees (who also act as directors for company law purposes) are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the net incoming or outgoing resources of the group for that period. In preparing those financial statements, the trustees are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and group and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the group, ensuring that the assets are properly applied in accordance with charity law, and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees have responsibility for the maintenance and integrity of the corporate and financial information on the website; and are aware that legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Related Parties

General Synod, Church Commissioners and Archbishops' Council

The St Edmundsbury and Ipswich Diocesan Board of Finance has to comply with Measures passed by the General Synod of the Church of England and is requested to make certain annual payments to the Archbishops' Council towards the running costs of the National Church. The stipends of the Diocesan and Suffragan Bishops are borne by the Church Commissioners. Some of the directors have membership of or attend meetings of National Church Institutions and are engaged in their decision making processes.

Parochial Church Councils (PCCs)

The Diocesan Board of Finance is required by Measure to be custodian trustee in relation to PCC property, but the Company has no control over PCCs, which are independent charities. The accounts of PCC's and deaneries do not form part of these financial statements.

PCCs are able to influence the decision-making within the Board of Finance and at Diocesan Synod level through representation to those bodies and through the input of their Deanery Synods and through membership of these and other diocesan committees and groups.

Subsidiary undertaking

The Diocesan Board of Finance owns 100% of the £3,400,000 ordinary share capital of Churchgates 2000 Limited, a subsidiary undertaking. The principle activity of Churchgates 2000 Limited is that of a

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

landlord and providing conference and restaurant facilities. The profit of Churchgates 2000 Limited for the year was £38,000 (2009 loss £1,000).

Details of related party transactions are disclosed in notes 20 and 34 to the financial statements.

Pension Schemes

St Edmundsbury and Ipswich Diocesan Board of Finance participates in the Church of England Defined Benefits Scheme (DBS) part of the Church Workers Pension Fund. This is a pension fund for the benefit of all employees of the participating employers, and the St Edmundsbury and Ipswich Diocesan Board of Finance is unable to separately identify its share of underlying assets and liabilities.

St Edmundsbury and Ipswich Diocesan Board of Finance also participates in the Church of England Funded Pension Scheme in respect of stipended clergy in the diocese. This is a pension fund for all stipended clergy of the Church of England. The St Edmundsbury and Ipswich Diocesan Board of Finance is unable to separately identify its share of underlying assets and liabilities.

Further details are contained in note 25 to the financial statements.

Risk Management

The Board of Finance and Directors of the Charity have reviewed the major risks which they have identified as facing the charity, and put procedures in place to minimise the effects of those risks or reduce the chance of them occurring. This is an ongoing process which encompasses any new or additional activities the Board engages in. The Board has appointed a Risk Review Committee, which prepares the major risk register and reviews the systems that are in place to mitigate those risks.

The most significant and major financial risk facing the charity remains the shortfall in donations from parishes to the Parish Share as this is the main contribution received to fund the work of the Board. While there are contingency plans for funding these shortfalls in the short to medium term, work continues on an affordable plan for the delivery of the charity's main objectives in the long term.

The trading subsidiary activities of Churchgates 2000 Limited are fully supported by the holding company which would otherwise have operated it directly. The major financial risk faced by the subsidiary is loss of rental income through loss of tenants.

Approved by the Board and signed on its behalf by:

G. Woodward
Chairman
Diocese of St Edmundsbury and Ipswich
St Nicholas Centre
4 Cutler Street, Ipswich. IP1 1UQ
5th May 2011

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

We have audited the financial statements of St Edmundsbury and Ipswich Diocesan Board of Finance for the year ended 31 December 2010 set out on pages 21 to 49. These accounts have been prepared in accordance with the accounting policies set out on page 27-30.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's [(APB's)] Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group and charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company and group's affairs as at 31 December 2010, and of the group's 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 Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Matters on which we are required to report by exception

- We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Helen Rumsey (Senior Statutory Auditor)
for and on behalf of Ensors

Chartered Accountants
Statutory Auditor
Cardinal House
46 St Nicholas Street
Ipswich
IP1 1TT

Dated: 6th May 2011

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Statement of Financial Activities for the Year Ended 31 December 2010

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2010	Total Funds 2009	
Note	£000	£000	£000	£000	£000	
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Parish contributions	1	6,162	-	-	6,162	6,082
Archbishops' Council	2	233	-	-	233	283
Other	3	183	109	-	292	365
Activities for generating funds	4	276	-	-	276	308
Investment income	5	266	202	7	475	495
Incoming resources from charitable activities :						
Statutory fees, chaplaincy and other income	6	479	-	-	479	413
Other incoming resources	7	-	-	194	194	287
Total incoming resources		7,599	311	201	8,111	8,233
Resources expended						
Costs of generating funds:						
Costs of activities for generating funds	8	280	-	-	280	317
Investment management costs	9	30	-	-	30	37
Charitable activities :						
Contributions to Archbishops' Council	10	557	-	-	557	543
Resourcing ministry and mission	11	6,981	341	(140)	7,182	7,070
Education	12	-	239	-	239	178
Governance costs	13	321	2	-	323	306
Other resources expended	14	2	-	16	18	4
Total resources expended		8,171	582	(124)	8,629	8,455
Net (outgoing)/incoming resources before transfers		(572)	(271)	325	(518)	(222)
Gross transfers between funds	18	70	613	(683)	-	-
Net (outgoing)/incoming resources before other recognised gains and losses		(502)	342	(358)	(518)	(222)
Other recognised gains and losses:						
Gains on revaluation of fixed assets for charity's own use	19	47	-	441	488	-
Gains on investment assets realised		-	-	232	232	-
Gains on investment assets unrealised		57	8	610	675	366
Net movement in funds		(398)	350	925	877	144
Reconciliation of funds:						
Total funds at 1 January 2010		7,058	3,449	69,346	79,853	79,709
Total funds at 31 December 2010		6,660	3,799	70,271	80,730	79,853

All incoming resources and resources expended derive from continuing activities.
The notes on pages 27 to 49 form part of these financial statements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Summary Income and Expenditure Account Year Ended 31 December 2010

	2010	2009
	£000	£000
Total incoming resources (note 1 below)	7,863	7,874
Resources expended (note 1 below)	(8,751)	(8,451)
Operating deficit for the year	(888)	(577)
Interest receivable	47	67
Net expenditure before exceptional items	(841)	(510)
Net surplus on sale of fixed assets	176	283
Net surplus on sale of investment assets	232	-
Impairment losses written back	140	-
Net deficit for the year	(293)	(227)

Supplementary Information

Total income comprises £7,584,000 for unrestricted funds and £279,000 for restricted funds. A detailed analysis of income by source is provided in the Statement of Financial Activities. Detailed analysis of expenditure is provided in the Statement of Financial Activities on page 21 and note 8 to 14 to the accounts.

The net deficit for the year of £293,000 comprises £502,000 net deficit on unrestricted funds, £342,000 net surplus from restricted funds and £133,000 net deficit from endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 21 which, together with the notes to the financial statements on pages 27 to 49, provides full information on the movements during the year of the funds in the group.

All incoming resources and resources expended derive from continuing activities.

Note 1 Reconciliation of Summary Income and Expenditure to SoFA	2010	2009
	£000	£000
Incoming resources per SoFA	8,111	8,233
Less surplus on disposal of assets	(194)	(287)
Less interest receivable	(54)	(72)
Total income per above	7,863	7,874
Resources expended per SoFA	(8,629)	(8,455)
Add back deficit on disposal of assets	18	4
Less impairment losses written back	(140)	-
Resources expended per above	(8,751)	(8,451)

The notes on pages 27 to 49 form part of these financial statements.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

**Consolidated Statement of Total Recognised Gains and Losses
Year Ended 31 December 2010**

	2010	2009
	£000	£000
Deficit for the financial year (from page 22)	(293)	(227)
Unrealised gain on revaluation of assets	<u>1,163</u>	<u>366</u>
Total recognised gains and losses relating to the year	<u><u>870</u></u>	<u><u>139</u></u>

Consolidated Note of Historical Cost Profit and Losses

	2010	2009
	£000	£000
Deficit for the financial year (from page 22)	(293)	(227)
Realisation of revaluation gains of previous years	<u>952</u>	<u>1,035</u>
Historic cost profit for the year	<u><u>659</u></u>	<u><u>808</u></u>

The notes on pages 27 to 49 form part of these financial statements

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group and Charity Balance Sheet as at 31 December 2010

	Note	Group		Charity	
		2010 £000	2009 £000	2010 £000	2009 £000
Fixed assets					
Tangible assets	19	67,944	66,835	65,932	64,811
Investments	20	7,457	6,825	10,857	6,825
		75,401	73,660	76,789	71,636
Current assets					
Debtors: amounts due within one year	21	1,604	1,285	1,576	2,368
Debtors: amounts due after one year	21	74	108	74	2,386
Investments	22	1,116	2,498	1,116	2,498
Cash at bank and in hand		3,273	2,755	3,147	2,694
		6,067	6,646	5,913	9,946
Creditors: amounts falling due within one year	23	(672)	(356)	(645)	(332)
Net current assets		5,395	6,290	5,268	9,614
Total assets less current liabilities					
		80,796	79,950	82,057	81,250
Creditors: amounts falling due after more than one year – pension scheme creditor	23	(66)	(97)	(66)	(97)
Total net assets		80,730	79,853	81,991	81,153
Capital and reserves					
Unrestricted fund		4,072	4,554	4,072	4,554
Unrestricted fund revaluation reserve		2,588	2,504	2,588	2,504
	24	6,660	7,058	6,660	7,058
Restricted fund		3,760	3,418	3,760	3,418
Restricted fund revaluation reserve		39	31	39	31
	24	3,799	3,449	3,799	3,449
Endowment fund		22,741	21,935	23,795	23,027
Endowment fund revaluation reserve		47,530	47,411	47,736	47,619
	24	70,271	69,346	71,532	70,646
		80,730	79,853	81,991	81,153

Approved by the Board, authorised for issue on 5th May 2011 and signed on its behalf by G. Woodward (Chairman) & G. A. P. Leigh-Pollitt (Trustee & Director)

The notes on pages 27 to 49 form part of these financial statements
Company Registration Number 143034

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Cashflow Statement Year Ended 31 December 2010

	2010	2009
	£000	£000
Reconciliation of net activity before transfers to net cash outflow from operating activities		
Net outgoing resources	(518)	(222)
Depreciation & impairment reversals	(106)	46
Profit on disposal of tangible fixed assets	(176)	(283)
Returns on investments	(352)	(369)
Decrease in debtors	(250)	(13)
Increase/(Decrease) in creditors	285	(32)
Net cash outflow from operating activities	(1,117)	(873)
 Cashflow Statement		
Cashflow from operating activities	(1,117)	(873)
Returns on investments (note 1)	317	375
Capital expenditure and financial investment (note 1)	(64)	303
Management of liquid resources (note 1)	1,382	2,143
Increase in cash	518	1,948
 Reconciliation of net cash flow movement to net funds (note 2)		
Increase in cash in the period	518	1,948
Cash inflow from decrease in liquid resources	(1,382)	(2,143)
Net funds at 1 January	5,253	5,448
Net funds at 31 December	4,389	5,253

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Cashflow Statement

Note 1. Gross cashflows

	2010	2009
	£000	£000
	<hr/>	<hr/>
Returns on investments		
Interest received	35	80
Investment income received	282	295
	<hr/>	<hr/>
	317	375
	<hr/>	<hr/>
Capital expenditure and financial investment		
Receipts from sales of tangible fixed assets	1,255	1,962
Payments to acquire tangible fixed assets	(1,594)	(1,659)
Receipts from sales of investments	275	-
	<hr/>	<hr/>
	(64)	303
	<hr/>	<hr/>
Management of liquid resources		
Decrease in deposits held as current asset investments	1,382	2,143
	<hr/>	<hr/>

Note 2. Analysis of changes in funds

	January 2010	Cashflow	December
	£000	£000	2010
	<hr/>	<hr/>	<hr/>
Cash at bank and in hand	2,755	518	3,273
Current asset investments	2,498	(1,382)	1,116
	<hr/>	<hr/>	<hr/>
	5,253	(864)	4,389
	<hr/>	<hr/>	<hr/>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Statement of Accounting Policies For the Year Ended 31 December 2010

(a) Accounting convention

The accounts have been prepared under the historical cost convention modified for the revaluation of certain fixed assets, under the Charities Acts 1993 and 2006, Companies Act 2006, in accordance with applicable United Kingdom accounting standards and the SORP Accounting and Reporting by Charities (Revised 2005), except where stated below.

(b) Basis of consolidation

The assets, liabilities and results of the trading subsidiary undertaking are included in the consolidated accounts using its audited accounts made up to 31 December. As a consolidated statement of financial activities is published, a separate statement of financial activities for the parent entity is omitted from the group accounts by virtue of section 408 of the Companies Act 2006.

The net result for the charitable company (unconsolidated) was £838,000 (2009 £145,000).

(c) Incoming resources

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

Voluntary income is received by way of donations principally from parishes as parish share. Parish share income is accounted for on an accruals basis in line with Synod policy, to enable parishes that have raised funds over Christmas sufficient time to pay those funds to the Board for that year. This treatment of contributions to parish share does not conform with the SORP recommendation of accounting for contributions when received. This amounted to £319k being the amount received in relation to 2010 parish share between 1 January and 31 January 2011 (2009 £321k). Other voluntary income is included in full in the Statement of Financial Activities when receivable.

Grants are recognised as receivable at the point they become unconditional.

Rents received are shown gross before any direct costs.

Investment income is recognised as it accrues.

(d) Resources expended & liabilities

Expenditure is recognised when a liability is incurred. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources.

Costs of generating funds are those costs incurred in managing rented properties and investments, and those incurred in trading activities that raise funds, i.e. Churchgates 2000 Limited.

Charitable activities include expenditure associated with parochial support and sector ministry and other direct charitable grants and costs.

Governance costs include those incurred in the governance of the charity and its assets, and are primarily associated with constitutional, statutory and synodical requirements.

Support costs include central functions including running costs of the Diocesan Office and accounts. They have been allocated to activity cost categories (excluding payments to the Archbishop's Council), on a proportional cost basis.

Grants are recognised as payable at the point they become unconditional.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

(e) Pensions Costs

Defined benefit schemes

The pension schemes for lay employees of the Board and stipendiary clergy are run by the Church of England Pensions Board and the pension charges calculated on the basis of actuarial advice. The schemes are based on final salary and are not money purchase schemes.

Each employer in the scheme pays a common contribution rate and is unable to identify its share of the underlying assets and liabilities. Under FRS 17, where the employer is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and regular basis the contributions should be accounted for as if it were a defined contribution scheme. The pension costs are therefore based on contributions actually payable to the Scheme in the year.

(f) Taxation

The Board of Finance is a charity and is therefore exempt from direct taxation on its investment income.

The Charity is unable to reclaim Value Added Tax (VAT), which is included under the various relevant expenditure headings. Churchgates 2000 Ltd, a trading subsidiary company included in these consolidated financial statements, is registered for VAT. Its income and expenditure is stated net of VAT.

(g) Deferred taxation

In accordance with the provisions of FRS 19, no provision for deferred taxation on revalued fixed assets is included in the balance sheet unless the group is committed to selling the asset. The potential deferred tax liability is stated in note 35 and is not discounted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

(h) Fixed Assets

Benefice, glebe, corporate and other properties are included in the balance sheet at cost or valuation. Profit or loss on disposal is calculated in accordance with FRS 3. Fixed assets are accounted for in accordance with FRS 15 with the following departures as allowed for charities under that reporting standard:

Properties are valued using open market value instead of value in use. The Directors consider open market valuation is more understandable and therefore relevant to the users of the accounts.

Non depreciable land and depreciable buildings thereon are combined for the purposes of valuation. The Directors consider that no helpful information would be provided by separate valuation and obtaining the information would be costly.

No depreciation is provided on buildings in accordance with FRS 15 where the residual value of the properties is so large and the life of those assets so long that depreciation is immaterial. These properties are recorded at open market value, which satisfies the requirement of FRS 11 Impairment Review, for when depreciation is not provided under FRS 15. The entire property portfolio is valued by independent valuers over a five year cycle. Annually, those properties not subject to a specific independent valuation are part of a general valuation adjustment as agreed by the company directors. This quinquennial valuation of approx 20% of the housing stock was suspended for one year during 2009 to save money on property expenditure in 2010. The inspections have been reinstated in 2010.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Benefice houses are legally vested in the incumbent as freeholder during their incumbency. The freeholder is not free to dispose of the house for their own benefit and is not responsible for maintaining the house. The Diocese carries both the benefits and obligations of ownership and under FRS 5 recognises these properties as assets.

Depreciation is calculated to write off fixed assets over their estimated useful lives from the date of purchase on the following basis:

Land	Nil
Buildings	Nil
Fixtures and Fittings	20% on cost
Motor vehicles	20% on cost
Computers	20% on cost
Photocopiers	Over 3 years

Assets are capitalised if they are to be used for more than one year, and cost at least £1,000, with the exception of laptop computers, which are all capitalised for security purposes.

(i) Redundant churches

These are capitalised at the point they are vested in the Diocesan Board of Finance at the expected final disposal value available to the Board.

(j) Investments

Properties held as investments are included in the balance sheet at open market valuation as advised by independent valuers. All other fixed asset investments are included in the balance sheet at mid-market valuation as at the year end date. Profit or loss on disposal is calculated in accordance with FRS 3. Current asset investments (liquid resources) are stated at their market value. Investment gains or losses are taken to the Statement of Financial Activities.

(k) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(l) Liquid resources

Liquid resources include all those monies held on deposit funds with withdrawal terms of 30 days or less, other than endowment monies.

(m) Operating leases

Rentals paid and received under operating leases are charged to expenditure and income as incurred/due. Rental charges are charged on a straight line basis over the term of the lease.

(n) Funds Structure

Fund balances are split between unrestricted, designated, restricted and endowment funds.

Unrestricted funds are the company's corporate funds. Undesignated general funds are freely available for any purpose within the company's objects, at the discretion of the Board.

Designated funds are those funds set aside out of general funds by the Board for a specific purpose over whose use and purpose the Board has discretion.

Restricted funds are income funds subject to conditions imposed by the donor as specific terms of trust or else by legal measure.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment funds are those held on trust to be retained for the benefit of the charity as a capital fund. In the case of the endowment funds administered by the Board (Stipends Capital Fund, Parsonage Houses and Schools), there are discretionary powers to convert capital into income and, as a result, these funds are classified as expendable endowment. Endowment funds where there is no provision for expenditure of capital are classified as permanent endowment.

'Special trusts' (as defined by the Charities Act 1993) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches, subject to the Charity Commission's determination of their accounting status.

Trusts where the Board acts merely as custodian trustee with no control over the management of the funds are not included in the financial statements but disclosed in the trustee's annual report.

The Stipends Fund Capital account is governed by the Diocesan Stipends' Fund Measure 1953, as amended, and the use of the income is restricted for clergy stipends. However the income is fully expended within the year of receipt and the legal restrictions, therefore, are satisfied. It is on this basis that the income and the expenditure are both included in the unrestricted column of the Statement of Financial Activities for the sake of greater clarity and simplicity in financial reporting.

Transfers between funds are made when legal ownership of assets changes and when expenditure defrayed in one fund can be properly discharged by income from another fund.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Accounts

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2010	Total funds 2009
	£000	£000	£000	£000	£000
1 Parish contributions					
Parish share requested	6,610	-	-	6,610	6,480
Shortfall in contributions	(448)	-	-	(448)	(398)
	6,162	-	-	6,162	6,082
2 Voluntary income from Archbishops' Council					
Selective allocation	222	-	-	222	264
DMC per capita grant	11	-	-	11	19
	233	-	-	233	283
3 Other voluntary income					
Ecclesiastical Insurance Group	105	-	-	105	88
Donations	78	109	-	187	277
	183	109	-	292	365
4 Income from activities for generating funds					
Rental income from parsonage, glebe & Board houses	158	-	-	158	158
St Nicholas Centre	114	-	-	114	129
Other	4	-	-	4	21
	276	-	-	276	308
5 Investment income					
Dividends receivable	139	159	-	298	297
Interest receivable	15	32	7	54	72
Rents receivable	112	11	-	123	126
	266	202	7	475	495
6 Incoming resources from charitable activities					
Statutory fees and chaplaincy income	399	-	-	399	342
Sales of religious books & items	37	-	-	37	35
Miscellaneous income	43	-	-	43	36
	479	-	-	479	413
7 Other incoming resources					
Gain on disposal of assets	-	-	194	194	287
8 Cost of activities for generating funds					
Cost of renting out parsonage, glebe and Board houses	46	-	-	46	48
Churchgates 2000 Ltd costs of sales/rents	222	-	-	222	255
	268	-	-	268	303
Support costs	12	-	-	12	14
	280	-	-	280	317
9 Investment management costs					
Glebe	11	-	-	11	11
Churchgates 2000 Limited	18	-	-	18	24
	29	-	-	29	35
Support costs	1	-	-	1	2
	30	-	-	30	37

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2010	Total funds 2009
	£000	£000	£000	£000	£000
10 Contributions to Archbishops' Council					
Training for ministry	208	-	-	208	211
National Church Responsibilities	182	-	-	182	178
Grants and provisions	27	-	-	27	29
Mission Agency pension contributions	15	-	-	15	14
Retired clergy housing costs (CHARM)	57	-	-	57	52
Pooling of ordinand candidates costs	68	-	-	68	59
	557	-	-	557	543
11 Expenditure on resourcing ministry and mission					
Ministry stipends	3,251	-	-	3,251	3,246
Clergy pensions	1,232	-	-	1,232	1,035
Removals and disturbances	105	-	-	105	91
Clergy insurance and welfare	1	-	-	1	25
Parsonage repairs	326	-	-	326	355
Parsonage improvements	-	227	-	227	137
Property costs previously written down (Exceptional)	-	-	(140)	(140)	-
Water charges, council tax, insurance, rent	371	-	-	371	359
Sequestration	11	-	-	11	12
Surveyors	87	-	-	87	92
Archdeacons	138	-	-	138	173
Rural deans	11	-	-	11	9
Bishops	19	-	-	19	25
Child protection	49	-	-	49	33
Continuing ministerial education	122	-	-	122	98
Lay education and training	53	-	-	53	52
Readers	6	-	-	6	6
Diocesan ministry course	163	-	-	163	165
Youth	21	-	-	21	25
Children	49	-	-	49	54
Diocesan ordinands	100	-	-	100	99
Mission and unity	3	-	-	3	2
Community affairs	86	-	-	86	89
Parish resources	77	-	-	77	81
Diocesan communications	95	-	-	95	108
Diocesan Library	22	-	-	22	21
Resource centre	57	-	-	57	53
Chaplaincies, Ecumenism & Music	50	2	-	52	61
Diocesan advisory committee	137	-	-	137	110
Church inspection	21	-	-	21	31
Redundant church buildings	7	-	-	7	2
Grants (see note 15)	18	79	-	97	77
Building Church	-	-	-	-	32
Other trust expenditure	-	19	-	19	7
	6,688	327	(140)	6,875	6,765
Support costs	293	14	-	307	305
	6,981	341	(140)	7,182	7,070

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2010	Total funds 2009
	£000	£000	£000	£000	£000
12 Education					
Church schools	-	229	-	229	170
Support costs	-	10	-	10	8
	-	239	-	239	178
13 Governance costs					
Auditors:					
Audit	20	2	-	22	21
Tax	2	-	-	2	2
Other services	-	-	-	-	4
Other professional fees	4	-	-	4	2
Chancellor	8	-	-	8	8
Registrar	36	-	-	36	35
General Synod	10	-	-	10	6
DBF Committees and Synod	8	-	-	8	11
Secretariat	219	-	-	219	204
	307	2	-	309	293
Support costs	14	-	-	14	13
	321	2	-	323	306
14 Other resources expended					
Loss on sale of fixed assets	2	-	15	17	4
Support costs	-	-	1	1	-
	2	-	16	18	4

15 Grants payable

	Unrestricted funds	Restricted funds	Endowment funds
	£000	£000	£000
General grants payable			
Institutional grants greater than £1,000 to support the work of those institutions:			
RTP	1	-	-
Churches Together in Suffolk	3	-	-
EECN	5	-	-
Willingham & Sotterley PCC	9	-	-
Suffolk Churches Capital Fund for repairs and reordering of church buildings:			
Elvedon St Andrew & St Patrick	-	1	-
Stanstead St James	-	3	-
Bedingfield St Mary	-	3	-
Cratfield St Mary	-	1	-
Ipswich St Mary Le Tower	-	2	-
Walton St Mary	-	1	-
Wherstead St Mary	-	1	-
Worlington All Saints	-	1	-
Lidgate	-	1	-
Hadleigh	-	1	-

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000
Walpole	-	2	-
Other Trusts for the purposes detailed in the individual trust documents:			
Stanton PCC	-	1	-
Old Newton VCP School	-	2	-
Gt Finborough CEVCP School	-	2	-
Orford CEVAP School	-	6	-
The Bishops Discretionary Fund	-	3	-
The Diocese of Kagera	-	18	-
Cavendish CEVP School	-	1	-
Easton PCC	-	1	-
Hintlesham & Chattisham CEVCP School	-	4	-
Witnesham PCC	-	2	-
Grants to individuals and others less than £1,000 to further the work of the Board (114)	-	22	-
	18	79	-
	18	79	-

16 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2010 £000	Total funds 2009 £000
Costs of activities for generating funds	12	-	-	12	14
Investment management costs	1	-	-	1	2
Resourcing ministry and mission	293	14	-	307	305
Education	-	10	-	10	8
Governance Costs	13	-	-	13	13
Other resources expended	-	-	1	1	-
Total resources expended	319	24	1	344	342
	319	24	1	344	342

Analysis of support costs by type:

	2010 £000	2009 £000
Depreciation	12	15
Staff costs	228	220
Post, stationery and photocopying	4	4
Sundry	11	10
Telephone	5	4
Health and safety	4	3
Property costs	46	45
Cleaning	4	13
Computers	30	28
	344	342
	344	342

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

17 Staff costs and directors remuneration

Staff costs during the year were as follows:

	2010	2009
	£000	£000
Wages and salaries	1,163	1,106
Social security costs	91	91
Pension costs - regular	165	212
	1,419	1,409

The average full time equivalent number of employees, analysed by function was:

	2010	2009
Costs of activities for generating funds (includes Churchgates staff)	7.3	7.5
Resourcing ministry and mission	17.5	16.4
Education	4.0	3.2
Governance	4.9	4.5
Support costs	6.1	6.2
	39.8	37.8

The number of employees earning £60,000 or more during the year were as follows:

£60,000 - £70,000	1	-
£70,000 - £80,000	1	1

Non-contributory pension contributions paid in respect of these staff were £Nil (2009 £4,522).

In addition to a salary of £32,409 the Diocesan Registrar received £32,000 (2009 £34,000) in faculty fees.

Stipended office holders not employees (full time equivalents)

	2010	2009
Archdeacons	1.9	1.5
Parochial clergy	119.0	120.5
Curates	17.4	15.9
Clergy holding ministerial support posts & lay workers	4.5	4.8
	142.8	142.7

At a cost of

	£000	£000
Stipends	3,196	3,135
National insurance	188	195
Pension contributions	1,291	1,086
	4,675	4,416

Trustees' emoluments

None of the directors have received any emoluments from the Board of Finance in respect of services performed as a trustee (2009 £ nil).

Expenses for travel and subsistence received by trustees and expenses for travel and subsistence and stipends in respect of other capacities on behalf of the Board were as follows:

	2010	2009
	£000	£000
Expenses - 9 trustees (2009 6)	12	9
Stipends - 6 trustees (2009 8)	145	93
2010 - 10 trustees (2009 9 trustees)	157	102

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

In respect of the 6 directors (2009 8) who are also stipendiary priests (excluding Bishops and the Dean), retirement benefits are accruing under a defined benefit scheme in respect of qualifying service. The Suffragan Bishop, Archdeacons and clergy who are trustees are also provided with housing or an allowance by the Board by virtue of their office. The Archdeacons are provided with a car.

18. Transfers between funds

	General £000	Restricted £000	Endow't £000	Total 2010 £000
Property sales, purchases & improvements	-	572	(572)	-
Transfer of property ownership	150	-	(150)	-
Income from trusts	21	(21)	-	-
Education funding by the Diocesan Board of Finance	(40)	40	-	-
Trading with Churchgates 2000 Ltd	(36)	(2)	38	-
Allocation of support costs	(25)	24	1	-
	70	613	(683)	-

The property sales, purchases and improvements transfers are in respect of benefice properties. These properties are held as expendable endowments in the Parsonage Houses fund and purchases/sales are funded by transfers from/to the Diocesan Pastoral Account, a restricted fund. Transfers of property ownership are made between funds when the legal ownership of a property changes.

19. Tangible fixed assets

Group	Investment properties £000	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost or valuation at 1 January 2010	800	65,942	240	33	67,015
Additions	-	1,593	1	-	1,594
Reversal of impairments of previous years	-	140	-	-	140
Revaluations	-	488	-	-	488
Disposals	-	(1,079)	-	-	(1,079)
Cost or valuation at 31 December 2010	800	67,084	241	33	68,158
Accumulated depreciation at 1 January 2010	-	-	179	1	180
Disposals	-	-	-	-	-
Charge for the year	-	-	28	6	34
Accumulated depreciation at 31 December 2010	-	-	207	7	214
Net Book Value at 31 December 2010	800	67,084	34	26	67,944
Net Book Value at 31 December 2009	800	65,942	61	32	66,835
Cost at 31 December 2010 *	1,007	20,641	241	33	21,922
Impairment write downs	-	(892)	-	-	(892)
Net cost at 31 December 2010	1,007	19,749	241	33	21,030
Valuation reserve at 31 December 2010	(207)	47,335	-	-	47,128
	800	67,084	241	33	68,158

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

On 4 March 2009 the company's Freehold Property, Churchgates House and The St Nicholas Centre, was revalued to its market value of £1,200,000 and the Investment Property was revalued to its market value of £800,000 by Fenn Wright, Chartered Surveyors. The directors do not believe that the valuations have materially changed at the balance sheet date.

* For historical reasons, the full cost of properties is only ascertainable for a proportion of the portfolio. The remainder of the properties were brought in at valuation in 1995.

Company	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost or valuation at 1 January 2010	64,737	120	33	64,890
Additions	1,593	1	-	1,594
Reversal of impairments of previous years	140	-	-	140
Revaluations	488	-	-	488
Disposals	(1,077)	-	-	(1,077)
Cost or valuation at 31 December 2010	65,881	121	33	66,035
Accumulated depreciation at 1 January 2010	-	78	1	79
Disposals	-	-	-	-
Charge for the year	-	18	6	24
Accumulated depreciation at 31 December 2010	-	96	7	103
Net Book Value at 31 December 2010*	65,881	25	26	65,932
Net Book Value at 31 December 2009	64,737	42	32	64,811
Cost at 31 December 2010	18,868	121	33	19,022
Impairment write downs	(322)	-	-	(322)
Net cost at 31 December 2010	18,546	121	33	18,700
Valuation reserve at 31 December 2010	47,335	-	-	47,335
	65,881	121	33	66,035

Group and company

None of the above properties are held under leasehold.

Land and buildings included above amounting to £66m for the group and company were revalued by the directors at 31 December 2010 on an open market basis. The directors acknowledge that not every property has been the subject of a professional opinion of value. The annual professional valuation of approx 20% of the portfolio was resumed in 2010 following a one year suspension in 2009 in order to save costs. Account was taken of that valuation by the directors, when considering the value of the remaining portfolio. The directors also considered advice from the Chief Executive Officer, Mr N P Edgell, MCI0B, FFB, MIOC, MiconstM, FIGS, MASI. The directors believe that the current balance sheet valuation is a reasonable estimate of the properties open market value as at the 31st December 2010.

Based on the valuation of properties at 31 December 2010, impairment losses recognised in previous years of £140,000 were reversed.

Included in the above are assets leased to third parties at 31 December 2010: group £5.6m (2009 £7.2m), company £4.6m (2009 £5.8m).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Included in property disposals	Book value £000	Net proceeds £000
Benefice:		
Clopton	375	414
Felixstowe, Princes Rd	201	289
Pakenham	275	341
Glebe:		
Reydon	225	210
	1,076	1,254

20. Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2010	903	5,922	6,825
Revaluations	290	385	675
Disposals	(43)	-	(43)
Valuation at 31 December 2010	1,150	6,307	7,457
Historical cost at 31 December 2010	-	4,429	4,429

The investment property relates to glebe land.

Company	Investment properties £000	Churchgates 2000 Ltd £000	Quoted investments £000	Total £000
Valuation at 1 January 2010	903	-	5,922	6,825
Additions	-	3,400	-	3,400
Revaluations	290	-	385	675
Disposals	(43)	-	-	(43)
Valuation at 31 December 2010	1,150	3,400	6,307	10,857
Historical cost at 31 December 2010	-	3,400	4,429	7,829

Investments held

Group	2010 £000	2009 £000
Land	1,150	903
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	5,225	4,880
Central Board of Finance Property Fund	1,041	1,004
Other	41	38
	7,457	6,825

The land was valued by Messrs Clarke & Simpson Chartered Surveyors at 31st December 2010.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Company	2010	2009
	£000	£000
Land	1,150	903
Shares in Churchgates 2000 Limited	3,400	-
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	5,225	4,880
Central Board of Finance Property Fund	1,041	1,004
Other	41	38
	<u>10,857</u>	<u>6,825</u>

Included in investments above is 100% interest in the issued ordinary share capital of Churchgates 2000 Limited. The investment total is £3,400,000. Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2010 are noted below.

Churchgates 2000 Limited year to 31 December 2010	2010	2009
	£000	£000
Turnover	284	284
Cost of sales and administration	(246)	(285)
Net profit/(loss)	<u>38</u>	<u>(1)</u>
The assets and liabilities of the subsidiary were:		
Fixed assets	2,012	2,025
Current assets	162	84
Creditors: amounts falling due within one year*	(34)	(1,129)
Creditors: amounts falling due after one year*	-	(2,278)
Net assets/(liabilities)	<u>2,140</u>	<u>(1,298)</u>
Aggregate share capital and reserves	<u>2,140</u>	<u>(1,298)</u>

*Included in creditors are amounts due to the holding company of £6,005 (2009 £3,382,823).

Transactions with subsidiary undertakings

	2010	2009
	£000	£000
Charged by Churchgates 2000 Limited:		
Capital: Issue of Ordinary Shares	3,400	-
Revenue: Meeting room hire and refreshments	31	20
Diocesan Office rent	60	60
	<u>91</u>	<u>80</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

21 Debtors

	2010		2009	
	Group £000	Charity £000	Group £000	Charity £000
Amounts falling due within one year:				
Trade	6	-	12	-
Amount owed by group undertaking	-	7	-	1,105
Collections in progress	319	319	321	321
Other debtors	1,019	990	720	710
Prepayments	88	88	107	107
Accrued income	172	172	125	125
	1,604	1,576	1,285	2,368
Amounts falling due after one year:				
Amount owed by group undertaking	-	-	-	2,278
Other debtors	74	74	108	108
	74	74	108	2,386
	1,678	1,650	1,393	4,754

22 Short term investments

Group and charity	2010 £000	2009 £000
Building Funds	12	12
Diocesan Stipends Capital Account	12	613
Diocesan Pastoral Account	5	807
Restricted Income Funds	976	843
Unrestricted Funds	6	118
Schools' Fund	105	105
	1,116	2,498

These funds are all held as cash deposits.

23 Creditors: Amounts falling due within one year

	2010		2009	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	7	-	8	-
Amounts owed to group undertaking	-	2	-	4
Taxes and social security	39	31	37	29
Other creditors	118	104	117	105
Accruals and income received in advance	100	100	71	71
Schools	408	408	123	123
	672	645	356	332
Amounts falling due after one year:				
Other creditors	66	66	97	97
	738	711	453	429

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

24. Funds

Unrestricted funds

Unrestricted funds comprise those funds which are available for application for the general purposes of the charity as set out in its governing document. Movements on these funds and details of designated amounts set aside by the Board for specific purposes are as follows:

Group

	At 1 January 2010	Incoming resources	Expenditure	Transfers	Revaluations	Reserve adjustments	At 31 December 2010
	£000	£000	£000	£000	£000	£000	£000
General reserve	3,300	7,599	(8,171)	90	-	(202)	2,616
Fixed asset reserve	1,254	-	-	-	-	202	1,456
Fixed asset revaluation reserve	2,371	-	-	(20)	47	-	2,398
Investment revaluation reserve	133	-	-	-	57	-	190
	<u>7,058</u>	<u>7,599</u>	<u>(8,171)</u>	<u>70</u>	<u>104</u>	<u>-</u>	<u>6,660</u>

General reserve

The general reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the Board to carry out its objectives including statutory compliance, administration of funds and provision of office facilities. The Board's policy is to maintain a level of cash and liquid assets of not less than six weeks' worth of average costs. This is approximately £964,000.

Fixed asset reserve

This reserve represents the funds tied up in properties, computers, office fittings and cars. The properties are used for the housing of clergy and curates, and where vacant are let to maximise revenue.

Charity

	At 1 January 2010	Incoming resources	Expenditure	Transfers	Revaluations	Reserve adjustments	At 31 December 2010
	£000	£000	£000	£000	£000	£000	£000
General reserve	3,300	7,406	(8,040)	152	-	(202)	2,616
Fixed asset reserve	1,254	-	-	-	-	202	1,456
Fixed asset revaluation reserve	2,371	-	-	(20)	47	-	2,398
Investment revaluation reserve	133	-	-	-	57	-	190
	<u>7,058</u>	<u>7,406</u>	<u>(8,040)</u>	<u>132</u>	<u>104</u>	<u>-</u>	<u>6,660</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Income Funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations, grants and investment income held on trusts to be applied for specific purposes.

Group

	At 1 January 2010	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2010
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,014	12	(228)	572	-	1,370
Schools fund	1,398	170	(231)	41	-	1,378
Restricted income reserve	32	2	(22)	5	-	17
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	16	26	(18)	(5)	-	19
Parish	230	18	(6)	-	1	243
Stipends	-	13	-	(13)	-	-
Church building	541	41	(18)	-	4	568
School	97	18	(14)	(3)	-	98
Other	121	10	(21)	(7)	3	106
Support costs	-	-	(24)	24	-	-
	<u>3,449</u>	<u>311</u>	<u>(582)</u>	<u>613</u>	<u>8</u>	<u>3,799</u>

Included in the above balances are revaluation reserves totalling £39,000 (2009 £31,000).

Charity

	At 1 January 2010	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2010
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,014	12	(228)	572	-	1,370
Schools fund	1,398	170	(233)	43	-	1,378
Restricted income reserve	32	2	(22)	5	-	17
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	16	26	(18)	(5)	-	19
Parish	230	18	(6)	-	1	243
Stipends	-	13	-	(13)	-	-
Church building	541	41	(18)	-	4	568
School	97	18	(14)	(3)	-	98
Other	121	10	(21)	(7)	3	106
	<u>3,449</u>	<u>311</u>	<u>(560)</u>	<u>591</u>	<u>8</u>	<u>3,799</u>

Included in the above balances are revaluation reserves totalling £39,000 (2009 £31,000).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment funds

Group	At 1 January 2010 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations £000	Reserve adjustments £000	At 31 December 2010 £000
Expendable endowment:							
Diocesan Stipends Fund	12,155	-	99	338	-	348	12,940
Diocesan Stipends Fund revaluation reserve	6,301	-	-	76	536	(116)	6,797
Parsonage houses fund	7,740	201	25	(1,040)	-	836	7,762
Parsonages houses fund revaluation reserve	39,793	-	-	(56)	287	(836)	39,188
Schools funds	769	-	-	(1)	-	-	768
Schools funds revaln reserve	530	-	-	-	85	-	615
	67,288	201	124	(683)	908	232	68,070
Permanent endowment:							
Ordination trusts	19	-	-	-	1	-	20
Parish trusts	354	-	-	-	25	-	379
Stipend and pension trusts	442	-	-	-	27	-	469
Church building trusts	748	-	-	-	54	-	802
School trusts	335	-	-	-	24	-	359
Other trusts	160	-	-	-	12	-	172
	2,058	-	-	-	143	-	2,201
	69,346	201	124	(683)	1,051	232	70,271

Included in permanent endowment balances are revaluation reserves of £0.93m (2009 £0.79m).

Charity	At 1 January 2010 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations £000	Reserve adjustments £000	At 31 December 2010 £000
Expendable endowment:							
Diocesan Stipends Fund	13,248	-	100	298	-	348	13,994
Diocesan Stipends Fund revaluation reserve	6,508	-	-	76	536	(116)	7,004
Parsonage houses fund	7,740	201	25	(1,040)	-	836	7,762
Parsonages houses fund revaluation reserve	39,793	-	-	(56)	287	(836)	39,188
Schools funds	769	-	-	(1)	-	-	768
Schools funds revaln reserve	530	-	-	-	85	-	615
	68,588	201	125	(723)	908	232	69,331
Permanent endowment:							
Ordination trusts	19	-	-	-	1	-	20
Parish trusts	354	-	-	-	25	-	379
Stipend and pension trusts	442	-	-	-	27	-	469
Church building trusts	748	-	-	-	54	-	802
School trusts	335	-	-	-	24	-	359
Other trusts	160	-	-	-	12	-	172
	2,058	-	-	-	143	-	2,201
	70,646	201	125	(723)	1,051	232	71,532

Included in permanent endowment balances are revaluation reserves of £0.93m (2009 £0.79m).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Fund	Application /purpose
Diocesan Pastoral Account Restricted Income	<p>Purposes as laid down in Section 78 of the Pastoral Measure 1983, the main uses being:</p> <ul style="list-style-type: none"> • Costs incurred for the purpose of the Measure or any scheme or order • Costs of disposing of or maintaining houses or churches vested in the Diocesan Board of Finance or Commissioners • For the benefit of another Diocese • Transfer to the DSF capital or income funds
Schools fund Restricted Income	<p>Subject to Section 17 of the Education Act 1993 the funds can be used for:</p> <ul style="list-style-type: none"> • The purchase, construction, maintenance and improvement of any school or teacher's house in the relevant area • The provision of advice, guidance and resources for the management of schools in the area • Inspection of relevant schools in the area
Expendable endowment	<p>This fund is comprised of the sale proceeds of redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the Board of Finance by Orders under the Education Act 1994 and 1973.</p> <p>The use of the fund is restricted under Section 17 of the Education Act 1993.</p>
Restricted Income	Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.
Trusts	
Ordination trust	To defray general and specific costs of ordinands' training and expenses.
Overseas trusts	To assist with mission in Rwanda and the Diocese of Kagera.
Parish trusts	To defray various costs in specific parishes. These are included in the diocesan accounts as the Board of Finance is the trustee responsible for the management of the assets in addition to being the custodian trustee.
Stipends and pension trusts	For the augmentation of particular benefices and stipends in general.
Church building trusts	For the maintenance of churches in the Diocese.
Schools trusts	For the use of specific schools as directed by those school governors.
Other trusts	Sundry trusts for various purposes of the Board of Finance and diocesan mission.
Diocesan Stipends Fund Restricted Income	<p>Subject to any charges imposed by the Scheme or Order the fund shall be applied to:</p> <ul style="list-style-type: none"> • Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese • Meet expenses incurred in repairing and maintaining parsonage houses • Paying secondary class 1 contributions in respect of ministers not employed under a contract of service

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- Defray sequestrators' expenses

Restricted monies credited to the DSF Income accounts are supplemented by unrestricted monies which form the majority of monies credited to the account. The resulting transitory immaterial asset remaining on this account at the end of the year is accounted for as unrestricted in line with the recommendation of the Diocesan Annual Report and Financial Statements Guide 2006.

Expendable Endowment

This fund represents the value of glebe property and investments at the balance sheet date. The account is governed by the Diocesan Stipends Fund Measure 1953 as amended by the Endowments and Glebe Measure 1976, the National Institutions Measure 1998 and the Miscellaneous Provisions Measure 1992. Income arises from the sale of glebe assets, the transfer of parsonage sale money, transfers from the Diocesan Stipends fund income account, as well as gifts, bequests and donations.

The main function of the fund is to provide income for stipends, but it may also be used for other purposes including:

- Acquiring glebe property
- Investing in a subsidiary
- Developing and protecting glebe amenities
- Investments
- Discharging loans and levies on glebe
- Improving parsonage houses

Discharging any loans made by the Church Commissioners under the Endowment and Glebe Measure 1976

Parsonage houses fund

Expendable Endowment

This fund represents the value of benefice houses at the balance sheet date, together with the parsonages building funds which were previously held by the Church Commissioners but are now held by the Diocesan Board of Finance on discrete deposit accounts. The houses are used to provide accommodation for the parochial clergy.

The diocese is not free to dispose of these houses except in accordance with the appropriate measures. There is a provision for the net proceeds of sale to be applied either to the Diocesan Pastoral Account or the Diocesan Stipends Capital Fund.

25 Pensions Fund

Defined Benefit Scheme – Church Workers

The St Edmundsbury and Ipswich Diocesan Board of Finance participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund. During the year to 31st December 2010, the St Edmundsbury & Ipswich Diocesan Board of Finance made contributions of £165,000 and this has been taken as the pension cost shown in these accounts as explained below.

The St Edmundsbury and Ipswich Diocesan Board of Finance, is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. A valuation of the Fund was carried out as at 31st December 2007 and the St Edmundsbury and Ipswich Diocesan Board of Finance's contribution rate was revised to 26.8% with effect from 1st January 2009.

	2010	2009
Deferred pensioners	22	19
Active members	26	28

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Defined Benefit Scheme – Clergy

The St Edmundsbury and Ipswich Diocesan Board of Finance participates in the Church of England Funded Pensions Scheme and employs 148 members of the Scheme out of a total membership of approximately 9,000 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the St Edmundsbury and Ipswich Diocesan Board of Finance is unable to identify its share of the underlying assets and liabilities – each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31st December 2009. This revealed a shortfall of £262m, with assets of £605m and a funding target of £867m, assessed using the following assumptions:

- An investment strategy of:
 - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from nil at 31 December 2009 to 2/3 by December 2029, with the balance in return seeking assets; and
 - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 4.4% pa on gilts and 5.9% pa on equities;
- RPI inflation of 3.8% pa (and pensions increases consistent with this);
- Increase in pensionable stipends 3.8% pa; and
- Post-retirement mortality in accordance with 80% of the S1NA tables, with allowance for future improvements according to the “medium cohort” projections, and subject to a minimum annual improvement in mortality rates of 1.5% for males and 1% for females.

For schemes such as the Church of England Funded Pension Scheme, paragraph 9(b) of FRS 17 requires the St Edmundsbury and Ipswich Diocesan Board of Finance to account for pension costs on the basis of contributions actually payable to the Scheme in the year, an amount of £1.291m (2009 £1.090m).

Following the results of the 2006 valuation, the St Edmundsbury and Ipswich Diocesan Board of Finance’s contribution rate was set at 39.7% of pensionable stipends with effect from 1st April 2008. The contribution rate was subsequently increased to 45% of pensionable stipends with effect from 1st January 2010, reflecting unfavourable investment experience and changes in financial market conditions. Following the valuation of the Scheme as at 31st December 2009, the contribution rate has been set at 38.2% with effect from 1st January 2011.

The next valuation of the Scheme will be due as at 31 December 2012.

26 Capital Commitments

As at the 31st December 2010 the Board were committed to the purchase of a replacement parsonage house in Playford, the balance outstanding being £391,500. To be funded from the Diocesan Pastoral Account.

27 Capital

The company has no share capital being limited by guarantee. The maximum number of members is restricted to 75 by the articles of association and each member’s liability under guarantee is £1.

The company has obtained the consent of the Registrar of Companies to be exempt from the requirement to use the word Limited in its name.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

28 Subsidiary Undertakings

The subsidiary company is incorporated and operated in England and Wales.

Included in the consolidation:

Undertaking	Principal activity	Share capital	Holding by charity
Churchgates 2000 Ltd	See below	3,400,000 Ordinary £1 shares	100%

Churchgates 2000 Ltd was set up in 2000 by the charity. The principal activities during the year were those of landlord, holding investment properties and running a conference centre including restaurant. It is a general trading company whose fixed assets are Churchgates House, which is occupied by the charity and unrelated third parties, St Nicholas Church and restaurant, which is used to provide a resource and conference facility and 11 St Nicholas Street, Ipswich, which is leased to a third party.

29 Analysis of group net assets between funds

	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	3,855	-	64,089	67,944
Investments	1,221	125	6,111	7,457
	5,076	125	70,200	75,401
Current assets				
Debtors	734	901	43	1,678
Investments	6	1,085	25	1,116
Cash at bank and in hand	1,253	1,594	426	3,273
	1,993	3,580	494	6,067
Creditors < 1 year	(202)	(442)	(28)	(672)
Net current assets	1,791	3,138	466	5,395
Total assets less current liabilities	6,867	3,263	70,666	80,796
Creditors >1 year	(66)	-	-	(66)
Amounts due (to)/from other funds	(141)	536	(395)	-
Total net assets	6,660	3,799	70,271	80,730

30 Custodian trusteeship

The company acts as custodian trustee for a variety of trusts including those falling under the Incumbents and Churchwardens (Trusts) Measure 1964 and the Tithe Act 1936. The assets are mainly held in Central Board of Finance Investments and are separate to those of the Board and not included in these accounts. At 31 December 2010 the market value of these trust investments was £2.9m (2009 £2.9m). The trustees are also custodian trustees in relation to PCC property.

The company also holds various devolved formula capital balances on behalf of church schools. These funds are used for capital projects with which the Board of Education assists. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2010 the total funds held on deposit were £1.1m (2009 £1.4m).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

31 Redundant churches

When a church becomes redundant the obligation to maintain, ‘wind and weatherproof’ and dispose of the church falls on the Board of Finance.

The following churches are the responsibility of the Board at the year end:

Stanton Warren – leased
 Southolt St Margaret – leased
 Wangford St Denys – leased

32 Schools fund properties

The schools fund contributes to the construction of new school buildings, which are conveyed in part to the Board. There is no ongoing liability or income in relation to this expenditure. On closure of the school concerned, and at the discretion of the Charity Commissioners, a proportion of the proceeds may be returned to the Board. No provision has been made for this potential income.

33 Operating lease commitments

The amounts paid by the group and charity in the last year, and amounts due in the next year in respect of operating leases for property are shown below and analysed according to the expiry date of the leases.

	2010	2009
	£000	£000
Expiring during 2-5 years – group & charity	22	22
Expiring after 5 years - charity only	60	60
	82	82

34 Related party transactions

Due to the nature of the charitable company’s and group’s operations and the composition of the board of trustees, it is possible that transactions will take place with organisations in which a trustee may have an interest. All transactions involving trustees are conducted at arm’s length and in accordance with the company’s normal purchasing procedures. Transactions identified include:

Trustee/Related Party	Relationship	Transaction
The Right Reverend Nigel Stock Bishop of St Edmundsbury & Ipswich (Trustee)	Trustee of Allchurches Trust Limited, the 100% parent company of Ecclesiastical Insurance Ltd (EIG)	The DBF received donations of £105,162 (2009 £88,000) from Allchurches in 2009 and paid premiums of £64,820 (200 £41,589) to EIG.
Mr George Woodward (Trustee)	Director of EWS Chartered Surveyors	Churchgates 2000 Limited paid £2,026 (2009 £2,028) to EWS Ltd in respect of rental agency fees in 2010.
The Reverend Tony Redman (Trustee appointed 13.03.10)	Partner in Whitworth & Co	The DBF paid £10,540 to Whitworth & Co in respect of church inspections for individual PCC’s.
Mr Nicholas P Edgell (Chief Executive Officer)	Parent of Director of Blind Spot	The DBF paid £14,890 in respect of the provision of blinds and other property related services to Blind Spot in 2010. (2009 £21,599)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The ultimate controlling party of the company is its board of trustees all of whom will have an interest in their own parishes and therefore are related to the diocesan organisation. Some trustees will attend or have membership of the various National Church Institutions through the General Synod, the Archbishops' Council, the Church Commissioners, the Central Board of Finance, the Church of England Pensions Board and other organisations related thereto.

In particular it should be noted that funds are transferred between the Board of Finance and the Church Commissioners both in relation to the grants from the Commissioners to support the work of the Diocese and contributions towards central costs.

The financial statements of the subsidiary company are included within the consolidated financial statements. Advantage has therefore been taken of disclosure exemptions available under FRS 8.

35 Deferred taxation – group

	2010		2009	
	Provided £000	Unprovided £000	Provided £000	Unprovided £000
Tax losses available	-	98	-	101
Decelerated capital allowances	-	(11)	-	(6)
	-	87	-	95

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix I

The Diocesan Board of Finance Unrestricted Fund Budget Outturn 2010

	Total to date £000	Budget £000	Favourable/ (unfavourable) £000
Income			
Parish Share	6,162	6,610	(448)
Other income received (see below)	1,276	1,186	90
Total incoming resources	7,438	7,796	(358)
Expenditure	(8,102)	(8,085)	(17)
Deficit before asset disposal & transfers	(664)	(289)	(375)
Loss on disposal of assets	(2)	-	(2)
Net deficit	(666)	(289)	(377)
Property transfers	150		
Restricted funds movement	14		
Revaluations	104		
Net movement in group unrestricted funds	(398)		

Other Income Received

Archbishops' Council	233	239	(6)
Other donations	211	152	59
House rent received	163	194	(31)
Investment income	187	183	4
<i>Statutory Fees & Other Income:</i>			
Other income	32	13	19
Clergy fees	381	337	44
Sequestration fees	18	15	3
East Anglican	12	13	(1)
Church Requisites	39	40	(1)
Total	1,276	1,186	90

Expenditure

Costs of renting out properties	46	39	(7)
Investment management costs	12	13	1
Contributions to Archbishops' Council	557	536	(21)
	615	588	(27)

Resourcing Ministry & Mission

Parochial Costs

Stipends and National Insurance	3,251	3,211	(40)
Pensions	1,232	1,211	(21)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Expenditure continued...

Removals and Relocations	105	83	(22)
Ordinands Insurance	1	-	(1)
Parsonage Repairs	326	287	(39)
Water Rates, Council Tax, Insurance & rent	371	382	11
Sequestration	11	14	3
Property Administration	87	97	10
Archdeacons	139	149	10
Rural Deans	12	13	1
Bishops	19	16	(3)
Child Protection/Criminal Records Bureau	49	65	16
CME	130	145	15
	<u>5,733</u>	<u>5,673</u>	<u>(60)</u>
<i>Parochial Support & Mission</i>			
Lay Education and Training	53	57	4
Readers	6	9	3
Diocesan Ministry Course	163	166	3
Youth Work	22	35	13
Children's Work	49	55	6
Diocesan Director of Ordinands	100	117	17
World Mission Group	4	4	-
Community Affairs	87	104	17
Parish Resources	77	80	3
Communications	95	110	15
Ecumenical Library	22	26	4
Church Requisites	57	49	(8)
Chaplaincies & Ecumenism	53	67	14
Diocesan Advisory Committee	138	120	(18)
Church Inspections	20	30	10
Redundant Churches	7	2	(5)
Church Building Scheme Grants	14	-	(14)
Other Grants	24	13	(11)
	<u>991</u>	<u>1,044</u>	<u>53</u>
Board of Education Grant	40	40	-
<i>Governance & Administration</i>			
Synod and Committees	23	27	4
Secretariat	220	220	-
Registrar & Chancellor	44	43	(1)
Audit & professional fees	19	32	13
	<u>306</u>	<u>322</u>	<u>16</u>
<i>Support costs</i>			
Accounts	122	123	1
Office services	295	295	-
	<u>417</u>	<u>418</u>	<u>1</u>
Total	<u><u>8,102</u></u>	<u><u>8,085</u></u>	<u><u>(17)</u></u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix II

**Diocesan Pastoral Account
Statement of movement on the fund for the year ended 31 December 2010**

	2010	2009
	£	£
Incoming resources		
Interest received	12,277	4,268
Total incoming resources	12,277	4,268
 Expenditure		
Parsonage house improvements	227,496	136,536
Building Church	-	32,255
World Mission	734	-
Other items	165	60
Total resources expended	228,395	168,851
 Net (outgoing) resources before transfers	(216,118)	(164,583)
 Transfers between funds		
Capital work on property	(472,396)	(773,868)
Property sale proceeds	1,045,205	1,360,207
	572,809	586,339
 Net movement of funds	356,691	421,756
Total funds brought forward at 1 January 2010	1,013,595	591,839
Total funds carried forward at 31 December 2010	1,370,286	1,013,595

Assets as at 31 December 2010

	2010	2009
	£	£
Current assets		
Loans to subsidiary company	-	243,842
Other loans	3,000	3,000
Amounts owed from/(to) other funds	548,600	(44,812)
Cash	804,687	806,966
Diocesan Pastoral Account London	4,599	4,599
Interest debtor	9,400	-
	1,370,286	1,013,595

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix III

**Diocesan Stipends Capital Fund
Statement of movement on the fund for the year ended 31 December 2010**

	2010	2009
	£	£
Expenditure		
Reversal of write down of property costs	(115,247)	-
Loss on sale of properties	15,356	4,821
Net outgoing resources before transfers	(99,891)	4,821
 Transfers between funds		
Transfer of property from other funds	375,532	-
Churchgates 2000 Limited profit/(loss) for the year	38,010	(1,195)
	413,542	(1,195)
 Asset revaluations and investment asset movements		
Revaluation of fixed assets	154,041	-
Gain on disposal of investments	232,454	-
Revaluation of investments	382,141	109,523
	768,636	109,523
 Net movement of funds	1,282,069	103,507
Total funds brought forward at 1 January 2010	18,455,135	18,351,628
Total funds carried forward at 31 December 2010	19,737,204	18,455,135

Assets as at 31 December 2010

	2010	2009
	£	£
Fixed assets	15,446,801	13,961,993
Investment assets	2,526,974	2,186,234
Loan to Churchgates 2000 Ltd	-	2,999,045
Net assets/(liabilities) of Churchgates 2000 Ltd	2,139,635	(1,298,374)
	20,113,410	17,848,898
 Current investments	12,026	612,655
Amounts due to other funds	(388,232)	(6,418)
Net current assets	(376,206)	606,237
Total Funds	19,737,204	18,455,135

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix IV

**Parish Share 2010
Deanery Summary**

Deanery	Parish Share £	Paid £	Not Paid £	Paid %
Bosmere	260,107	257,118	2,989	98.85
Colneys	412,076	369,637	42,439	89.70
Hadleigh	304,462	304,465	(3)	100.00
Ipswich	961,435	861,466	99,969	89.60
Samford	278,747	274,301	4,446	98.41
Stowmarket	254,806	254,806	-	100.00
Woodbridge	492,472	492,472	-	100.00
Clare	244,521	231,998	12,523	94.88
Ixworth	295,533	260,021	35,512	87.98
Lavenham	391,805	380,492	11,313	97.11
Mildenhall	352,833	304,545	48,288	86.31
Sudbury	390,502	351,538	38,964	90.02
Thingoe	419,273	394,794	24,479	94.16
Beccles & South Elmham	249,731	228,503	21,228	91.50
Halesworth	327,434	290,266	37,168	88.65
Hartismere	173,296	166,663	6,633	96.17
Hoxne	149,941	149,941	-	100.00
Loes	308,698	264,606	44,092	85.72
Saxmundham	341,885	341,886	(1)	100.00
Total 2010	6,609,557	6,179,518	430,040	93.49
Total 2009	6,479,958	6,073,560	406,398	93.73

Amount received per accounts (note 1)	6,161,703
Late receipts	<u>17,815</u>
Amount received as above	<u><u>6,179,518</u></u>