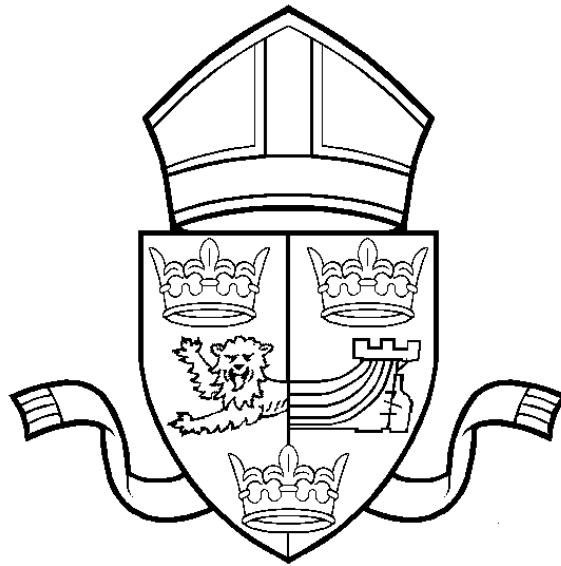


The St Edmundsbury and Ipswich Diocesan Board of Finance



2012 Report and Financial Statements

Company Limited by Guarantee

Registration No 143034

Charity Registration No 248919

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

THE TRUSTEES' AND DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012

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 2012.

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 1925. 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 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): Canon G F Woodward, Chairman of the Finance Committee

Ex officio: The Ven Dr J M Hunt Archdeacon of Suffolk (resigned 16.07.2012)

Ex officio: The Ven Dr D H Jenkins Archdeacon of Sudbury

Ex officio: The Ven I D J Morgan Archdeacon of Suffolk

Ex officio: Canon B R Rowe Chairman of the House of Laity (resigned 1.11.2012)

Ex officio: The Very Revd Dr F Ward Dean of St Edmundsbury

Ex officio: The Rt Revd C Young Member of the House of Bishops

Ex officio: The Revd Canon J L Alderton-Ford Chairman of the House of Clergy (appointed 10.11.2012)

Ex officio: Canon M Wilde Chairman of the House of Laity (appointed 10.11.2012)

Elected: Canon T E Allen Diocesan Advisory Committee

Elected: Mr G McGregor House of Laity

Elected: Mr G A P Leigh-Pollitt House of Laity (resigned 1.11.2012)

Elected: Mr J Barker House of Laity

Elected: Mr D J Lamming House of Laity

Elected: The Revd J T Olanczuk House of Clergy (resigned 1.11.2012)

Elected: The Revd Canon G Owen Diocesan Board of Education (resigned 1.11.2012)

Elected: The Revd A J Redman House of Clergy (resigned 1.11.2012)

Elected: Canon Prof L D Smith House of Laity

Elected: Mr P R Smith House of Laity

Elected: Mr C J E Spicer House of Laity

Elected: The Revd M J A Tillet House of Clergy (resigned 10.11.2012)

Elected: Mr J R Woods House of Laity (resigned 10.11.2012)

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Elected: The Revd R Hinsley House of Clergy (appointed 1.11.2012)
Elected: The Revd Canon C Jenkin House of Clergy (appointed 1.11.2012)
Elected: The Revd S A Loxton House of Clergy (appointed 1.11.2012)
Elected: The Revd S J Pitcher House of Clergy (appointed 1.11.2012)
Elected: Canon A R Allwood House of Laity (appointed 17.12.2012)
Elected: Mr A C Mullhall House of Laity (appointed 17.12.2012)

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

Diocesan Administration Team

Deputy Diocesan Secretary: Nicola Andrews LLB
Human Resources Manager: Brenda Cowley MA MCIPD
Diocesan Advisory Committee and Pastoral Committee Secretary: James Halsall
Assistant Diocesan Secretary: The Revd Canon Graham Hedger BA
Assistant Diocesan Secretary: Gavin Stone BA(Hons), PGDM
Parish Resources Adviser: The Revd Canon Fr Jim Pendorf BA (Phil) magna cum laude, STB cum laude
Diocesan Accountant: Katy Reade BSc(Hons), ACA

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

2. CHAIRMAN'S STATEMENT

We are in very challenging circumstances and I would like to thank everyone for their efforts in contributing towards the parish share, and especially those parishes that were able to pay in full.

In my statement for 2011, I observed that, after adjusting for exceptional items, the Board faced a deficit of £800,000 – almost identical to the deficit in 2010. As a step towards reducing this in 2012, Synod set a considerably reduced budget, as well as setting in train a number of initiatives to help increase parishes' income. In the event, 2012 saw an overall deficit of £888,000 before revaluations, and a total net deficit on the unrestricted fund of £778,000 for the year.

The lack of progress towards improving our financial situation last year arises from three main items: Firstly, we actually budgeted for a deficit of £134,000 (with the specific intention of drawing on reserves to meet such a shortfall) in order that we could keep Parish Share at its 2011 level. Secondly, against the background of reducing numbers of stipendiary clergy becoming available for deployment, we actually had more clergy in post during 2012 than had been budgeted for, costing an additional £260,000 in stipends and pensions. The last, and by far the largest, of the causes of the deficit, is however the increased shortfall on parish share. The percentage collected dropped from 93.4% in 2011 to 90.9% in 2012. In cash terms, the shortfall in share rose to £617,000 in 2012 from £446,000 for 2011.

It is this continuing and increasing shortfall in share that is the focus of my and the other directors' attention and which led to the setting up of the Parish Share Allocation Review Group last year. Whilst reviewing the parish share allocation system won't, in itself, solve our financial problems it is one of a number of pieces of work that have been undertaken over recent years to provide a framework for diocesan policy and strategy for the future, enabling mission and ministry throughout the diocese.

It is within this wider context that the Parish Share Allocation Review Group has sought to work towards a new way of allocating the parish share to support that future mission and ministry in a financially fair and sustainable way. The success of this and indeed any of the initiatives lies in gaining the support of the whole church. Let us not forget that we are not alone in this task as the God who has called us is faithful and let us therefore not lose heart but instead remember St Paul's words to the Ephesian church that He "*is able to do immeasurably more than all we ask or imagine according to His power that is at work within us*". (Eph 3:20).

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

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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 and 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 (paid) and non stipendiary (unpaid), including the provision of pensions for stipended ministers.

The Board contributes to the national training costs of stipendiary clergy, through the central cost allocation of the Archbishops' Council, supports individuals with families while training and provides parish placements for curates including their housing, stipend and pension. In addition the Board runs the newly reorganised Ministry, Education and Training scheme for ordinands, local ministers, readers and lay elders, as well as providing on-going 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.

In 2012 the Board funded the full time equivalent of 124.7 stipendiary clergy in benefice and mission posts, and 14.9 curates.

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	2012 Actual Full Time Equivalents	2011 Actual Full Time Equivalents
Stipendiary parochial clergy	124.7	121.1
Curates	14.9	16.6
House for Duty	1.0	1.0
Administrative staff in lieu of clergy	1.4	1.4
	142.0	140.1
Total parochial stipends & pensions	£4,672,000	£4,564,000

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 processes applications for 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 glebe and parsonage properties.

	2012	2011
Number of glebe and parsonage properties	162	163
Costs of maintenance and improvements	£450,000	£565,000
Average expenditure per property	£2,777	£3,466

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 2012 are detailed below.

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.

	2012	2011
Number of projects	55	56
Project expenditure in the year	£784,074	£2,270,000

iv) Provision of expenses of Diocesan and central organisation.

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, Mission and Pastoral Sub Committees, the Property Committee, the Finance Committee, Agenda Planning and Business Committee, the Board of Education, the Diocesan Advisory Committee and other ad hoc groups as needed. All these committees require administrative support, and together with the costs of professional advisers, these items make up the governance and support costs of the organisation (see notes 13 & 16 to the accounts).

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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.

Parish share received in 2012 was £230,000 less than in 2011, £660,000 less than requested, and represents an acceleration of the continuing significant under-receipts of share, and the consequent continuing use of capital to fund operating shortfalls.

	2012	2011
	£000	£000
Parish share requested	6,742	6,742
Parish share received	6,082	6,312
Percentage received as a total of share requested	90.2%	93.6%

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. The Board of Finance is also 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 2012 of £2.8m (2011 £2.8m). 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:

	2012	2011	Increase/ (decrease)	%
	£000	£000	£000	change
Income				
Parish share	6,082	6,312	(230)	(3.6)%
Investment income	486	480	6	1.2%
Other income	1,444	1,193	251	21.0%
	8,012	7,985	27	0.3%
Expenditure				
Parochial stipends & pensions	4,672	4,564	108	2.4%
Other expenditure	4,228	4,966	(738)	(14.9)%
	8,900	9,530	(630)	(6.6)%
Outgoing resources before other recognised gains and losses	(888)	(1,545)	657	42.5%
Other recognised gains and losses	870	(1,358)	2,228	
Net movement in funds	(18)	(2,903)	2,885	

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Income in total for 2012 rose slightly compared to 2011 by £27,000, despite the £230,000 decrease in parish share receipts. This was principally due to the profits on disposal of properties of £96,000, together with additional support of £43,000 from the Archbishops' Council and an increase in other income of £62,000 which comprised of one off grants for projects carried out in the year.

Expenditure decreased by £630,000. The major cause of the fall was that there were no exceptional items of expenditure in 2012, whereas 2011 included the exceptional payment of £420,000 in respect of the lay workers pension deficit and losses on disposal of assets of £301,000.

The significantly greater decrease in expenditure compared to income for 2011 resulted in a reduction of the **outgoing resources** for the year before other recognised gains and losses, from £1,545,000 in 2011 to £888,000 in 2012.

Other recognised gains and losses showed a £870,000 net gain in 2012, compared to a £1,358,000 net deficit in 2011. These gains reflect a small recovery of 1% in property values over 2012, and an increase in investment values.

The resulting **net movement in funds** was a fall of £18,000 (2011 fall £2,903,000), maintaining the group's net assets at £77 million.

There was an overall net cash (including current asset investments) outflow during the year of £655,000. Of this there were operating outflows (net of investment income) of £888,000, with £233,000 in inflows generated from the net sales of assets.

After making enquiries the trustees are satisfied that the 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 £778,000 (2011 decrease £890,000). This decrease is after taking into account transfers to other funds of £102,000 (2011 transfers in of £380,000), and negative asset revaluations of £25,000 (2011 negative £179,000). The result of the unrestricted fund before these transfers and adjustments was a deficit of £651,000 (2011 deficit £1,091,000).

The deficit before transfers of £651,000 was principally due to the shortfall in requested parish share receipts of £660,000 (2011 £430,000). There was also a significant overspend on clergy stipends and pensions by £260,000, but additional rental income of £69,000, savings on property expenditure of £54,000 and lower than expected costs by £45,000 for supporting ordinands in training helped to mitigate the extra costs faced.

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 - £946,000. At 31st December 2012 the Board held unrestricted liquid assets of £609,000 (2011 £1,153,000). These funds are currently less than the £946,000 target, but the Board has recourse to the cash held as part of the Diocesan Pastoral Account (DPA), which can be subvented to the unrestricted fund should the

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financial need arise. At the end of the year the DPA had £1,084,000 in cash and short term investments.

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.

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	Schools	Trusts	2012	2011
	£000	£000	£000	£000	£000
Total incoming resources	8	229	178	415	378
Total resources expended	177	267	264	708	701
Net (outgoing)/incoming resources before transfers	(169)	(38)	(86)	(293)	(323)
Transfers	223	41	(12)	252	(82)
Net (outgoing)/incoming resources before revaluations	54	3	(98)	(41)	(405)
Revaluations	-	-	11	11	(6)
Net movement in funds	54	3	(87)	(30)	(411)

Incoming resources were up by £37,000 to £415,000. The most significant increase was in respect of schools, which saw the introduction of a subscription for their services, although for 2012 this only added £16,000 to income.

The main transfer was £223,000 net into the Diocesan Pastoral Account in respect of property sale proceeds less capital 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 2012 free reserves (net of long term debtors) were £1.08m (group and company), (2011 £1.03m).

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:

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	Parsonages £000	DSF Capital £000	Schools £000	Trusts £000	2012 £000	2011 £000
Total incoming resources	17	39	-	-	56	8
Total resources expended	-	-	-	-	-	139
Net (outgoing)/incoming resources before transfers	17	39	-	-	56	(131)
Transfers	(223)	60	-	13	(150)	(298)
Net outgoing resources before revaluations	(206)	99	-	13	(94)	(429)
Revaluations & investment disposals	330	288	88	178	884	(1,173)
Net movement in funds	124	387	88	191	790	(1,602)

Of the £56,000 income, £48,000 is in respect of surpluses on disposal of property.

Transfers are in respect of property sales, purchases, improvements and transfers of ownership.

Investment and property values rose by £889,000 over the year compared to the £1,602m decrease in 2011.

Churchgates 2000 Limited

Churchgates 2000 Limited is the wholly owned trading subsidiary of the charity. The Diocesan Board of Finance owns 100% of the £3,400,000 ordinary share capital. The Stipends Capital Fund (Appendix III) 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. This includes the income from Churchgates 2000 Limited.

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

In 2012 the subsidiary generated a profit of £60,000, (2011 profit £56,000) from a turnover of £271,000 (2011 £276,000). In 2012 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.

Of the two properties owned by Churchgates 2000 Limited, one comprises the diocesan office and the St Nicholas Centre – primarily a diocesan meeting space, cafe and home for Synod, the other – 11 St Nicholas Street, is held purely for investment purposes. As with other investments the primary aim of this second property 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.

	2012 £000	2011 £000
11 St Nicholas Street – valuation at 31 December	800	800
Income	48	48

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

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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 9.8% by value of the balance sheet. The group investment holdings are shown in the table below.

	Valuation 2012 £000	Valuation 2011 £000	Net income 2012 £000	Net income 2011 £000
CBF Investment Fund	5,393	4,934	227	222
CBF Property Fund	953	1,038	82	82
Glebe Land	1,192	1,206	31	32
Other	45	40	1	1
Total	7,583	7,218	341	337

Quoted investments held at 31 December 2012 were valued at £6.4m (2011 £6.0m). For the largest investment fund holding, which is the CBF Church of England Investment Fund, investment returns were positive over the year and the fund outperformed the comparator. The income payment was also increased. The CBF Church of England Property Fund remained broadly flat, although the income payment was maintained.

	Total Return 12 months %
CBF Investment Funds	15.2%
Composite: FTSE All-Share 60%, FTSE World ex UK 20%, IPD All Properties 10% & FTSE UK Government All Stocks 10%.	<u>10.6%</u>
CBF Property Funds	-0.3%
IPD Balanced Property Unit Trust Index	<u>+0.3%</u>

Land

Investment in glebe land was valued in the financial statements at £1.2m as at 31 December 2012 (2011 £1.2m). The net rent received for 2012 was £31,000 (2011 £32,000). Property is managed by 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.

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 self supporting and lay ministers. The work load of these ministers has steadily increased as the numbers of stipendiary clergy available nationally, have steadily decreased and benefices are rearranged to cover an increasing number of parishes.

The reducing numbers of stipendiary clergy will see a reduction in the costs faced by parishes, however with a short fall in share of £660,000 the reduction in stipendiary clergy costs alone will not enable the current operating deficits to be turned around.

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To address the shortfall in income, work continues to review and improve the allocation system for parish share through the Parish Share Allocation Review Group, who expect to complete their work in 2013, and initiatives are being undertaken through the Giving Group to assist parishes with a wide range of issues including increasing income to enable them to meet share.

In addition the expenditure review group, who identified expenditure reductions for 2012, will be producing further cost saving recommendations for 2013 with a view to stemming the increasing level of deficits.

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 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 ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 5 deaneries and Sudbury the Western part with 6 deaneries. In total there are some 445 parishes. The three archdeaconries are 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.

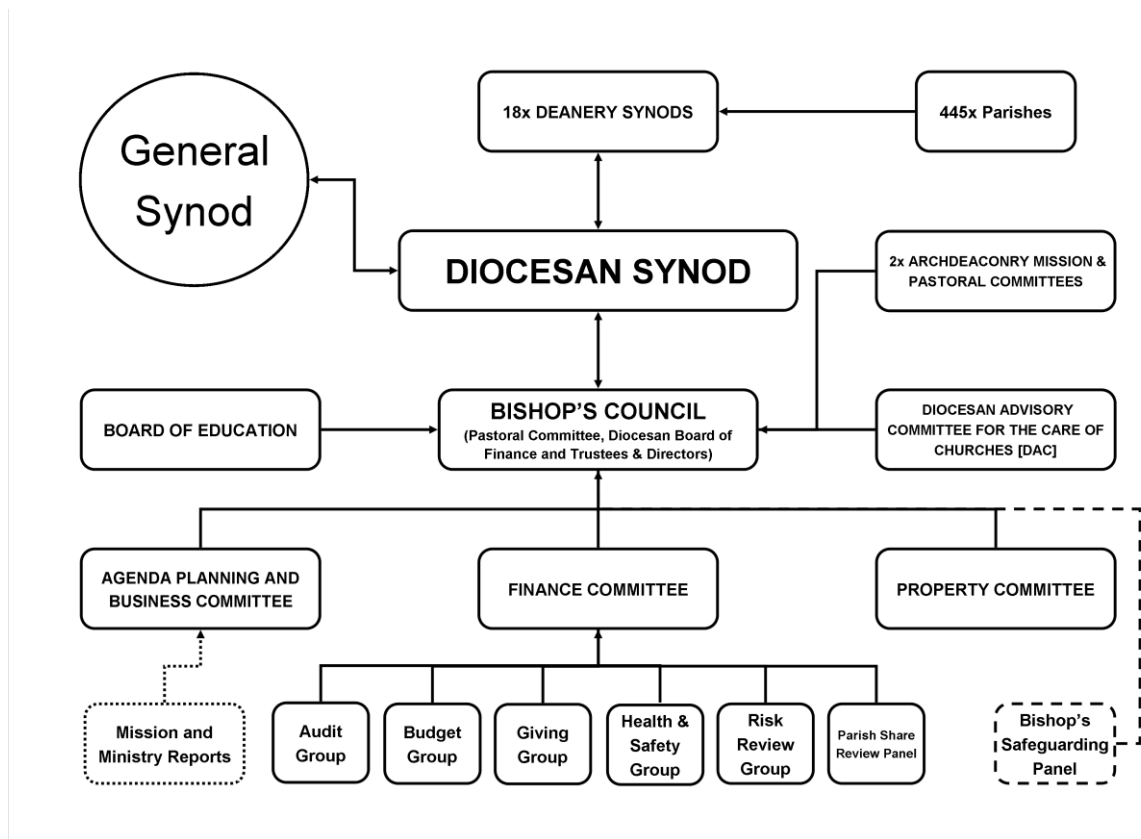
A parish or group of parishes form a benefice, served by an incumbent who typically receives a stipend and the benefit of free occupation and use of a parsonage house, managed and maintained by the Board, for carrying out spiritual and pastoral duties.

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 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 2011 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 Risk Review Group
 - The Budget Review Group
 - The Parish Share Review Panel
- The Archdeaconery Mission and Pastoral Sub-Committees – advise on the re-organisation of parishes and benefices.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

- 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.

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 on-going 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 and the Bishop's Chaplain in attendance. 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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 auditors.

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.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Subsidiary undertaking

The Diocesan Board of Finance owns 100% of the ordinary share capital of Churchgates 2000 Limited, a subsidiary undertaking.

Details of related party transactions are disclosed in notes 20 and 32 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 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 does not offer membership of the above scheme to all employees. For those employees who are not offered the scheme the Board facilitates access to a Virgin Stakeholder Pension. This scheme is fully contributory with no input from the employer.

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 Group, 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
2nd May 2013

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 2012 set out on pages 21 to 48. These accounts have been prepared in accordance with the accounting policies set out on pages 27 to 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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. In addition, we read all the financial and non-financial information in the Trustees' and Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 December 2012, 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' and Directors' 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.

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

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

Dated: 7th May 2013

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Statement of Financial Activities for the Year Ended 31 December 2012

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2012	Total Funds 2011	
Note	£000	£000	£000	£000	£000	
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Parish contributions	1	6,082	-	-	6,082	6,312
Archbishops' Council	2	207	-	-	207	164
Other	3	192	195	-	387	311
Activities for generating funds	4	309	-	-	309	271
Investment income	5	258	220	8	486	480
Incoming resources from charitable activities :						
Statutory fees, chaplaincy and other income	6	445	-	-	445	447
Other incoming resources	7	48	-	48	96	-
Total incoming resources		7,541	415	56	8,012	7,985
Resources expended						
Costs of generating funds:						
Costs of activities for generating funds	8	240	-	-	240	262
Investment management costs	9	29	-	-	29	31
Charitable activities :						
Contributions to Archbishops' Council	10	567	-	-	567	565
Resourcing ministry and mission	11	7,026	428	-	7,454	7,701
Education	12	-	278	-	278	337
Governance costs	13	330	2	-	332	333
Other resources expended	14	-	-	-	-	301
Total resources expended		8,192	708	-	8,900	9,530
Net (outgoing)/incoming resources before transfers		(651)	(293)	56	(888)	(1,545)
Gross transfers between funds	18	(102)	252	(150)	-	-
Net outgoing resources before other recognised gains and losses		(753)	(41)	(94)	(888)	(1,545)
Other recognised gains and losses:						
(Losses)/gains on revaluation of fixed assets for charity's own use	19	2	-	489	491	(1,208)
(Losses)/gains on investment assets realised		-	-	(5)	(5)	65
(Losses)/gains on investment assets unrealised	20	(27)	11	400	384	(215)
Net movement in funds		(778)	(30)	790	(18)	(2,903)
Reconciliation of funds:						
Total funds at 1 January 2012		5,770	3,388	68,669	77,827	80,730
Total funds at 31 December 2012		4,992	3,358	69,459	77,809	77,827

All incoming resources and resources expended derive from continuing activities.
The notes on pages 27 to 48 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 2012

	2012	2011
	£000	£000
Total incoming resources (note 1 below)	7,862	7,935
Resources expended (note 1 below)	(8,900)	(8,809)
Operating deficit for the year	(1,038)	(874)
Interest receivable	46	42
Net expenditure before exceptional items	(992)	(832)
Net surplus/(deficit) on sale of fixed assets	96	(301)
Net (deficit)/surplus on sale of investment assets	(5)	65
Exceptional contribution to lay staff pension deficit	-	(420)
Net deficit for the year	(901)	(1,488)

Supplementary Information

Total income comprises £7,484,000 for unrestricted funds and £378,000 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 £901,000 comprises £753,000 net deficit on unrestricted funds, £41,000 net deficit from restricted funds and £107,000 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 48, 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	2012	2011
	£000	£000
Incoming resources per SoFA	8,012	7,985
Less surplus on disposal of assets	(96)	-
Less interest receivable	(54)	(50)
Total income per above	7,862	7,935
Resources expended per SoFA	(8,900)	(9,530)
Add back deficit on disposal of assets	-	301
Add back exceptional contribution to lay staff pension deficit	-	420
Resources expended per above	(8,900)	(8,809)

The notes on pages 27 to 48 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 2012

	2012	2011
	£000	£000
Deficit for the financial year (from page 22)	(901)	(1,488)
Unrealised gain/(loss) on revaluation of assets	875	(1,423)
Total recognised gains and losses relating to the year	<u>(26)</u>	<u>(2,911)</u>

Consolidated Note of Historical Cost Profit and Losses

	2012	2011
	£000	£000
Deficit for the financial year (from page 22)	(901)	(1,488)
Realisation of revaluation gains of previous years	805	1,865
Historic cost profit for the year	<u>(96)</u>	<u>377</u>

The notes on pages 27 to 48 form part of these financial statements

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group and Charity Balance Sheet as at 31 December 2012

	Note	Group		Charity	
		2012 £000	2011 £000	2012 £000	2011 £000
Fixed assets					
Tangible assets	19	65,365	64,995	63,355	62,988
Investments	20	7,583	7,218	9,783	9,418
		72,948	72,213	73,138	72,406
Current assets					
Debtors: amounts due within one year	21	931	1,112	906	1,092
Debtors: amounts due after one year	21	31	36	31	36
Investments	22	3,004	2,718	3,004	2,718
Cash at bank and in hand		1,293	2,234	1,046	2,048
		5,259	6,100	4,987	5,894
Creditors: amounts falling due within one year	23	(398)	(486)	(371)	(468)
Net current assets		4,861	5,614	4,616	5,426
Total net assets		77,809	77,827	77,754	77,832
 Capital and reserves					
Unrestricted fund		3,703	3,989	3,703	3,989
Unrestricted fund revaluation reserve		1,289	1,781	1,289	1,781
	24	4,992	5,770	4,992	5,770
Restricted fund		3,330	3,358	3,330	3,358
Restricted fund revaluation reserve		28	30	28	30
	24	3,358	3,388	3,358	3,388
Endowment fund		23,809	23,522	24,747	24,520
Endowment fund revaluation reserve		45,650	45,147	44,657	44,154
	24	69,459	68,669	69,404	68,674
		77,809	77,827	77,754	77,832

Approved by the Board, authorised for issue on 2nd May 2013 and signed on its behalf by:

G. Woodward (Chairman)

The Ven Dr D. Jenkins (Trustee & Director)

The notes on pages 27 to 48 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 2012

	2012	2011
	£000	£000
Reconciliation of net activity before transfers to net cash outflow from operating activities		
Net outgoing resources	(888)	(1,545)
Depreciation	24	30
(Profit)/loss on disposal of tangible fixed assets	(96)	301
Returns on investments	(364)	(356)
Decrease in debtors	169	518
(Decrease) in creditors	(114)	(252)
Net cash outflow from operating activities	(1,269)	(1,304)
 Cashflow Statement		
Cashflow from operating activities	(1,269)	(1,304)
Returns on investments (note 1)	381	368
Capital expenditure and financial investment (note 1)	233	1,499
Management of liquid resources (note 1)	(286)	(1,602)
(Decrease) in cash	(941)	(1,039)
 Reconciliation of net cash flow movement to net funds (note 2)		
(Decrease) in cash in the period	(941)	(1,039)
Cash inflow from change in liquid resources	286	1,602
Net funds at 1 January	4,952	4,389
Net funds at 31 December	4,297	4,952

The notes on page 26 form part of this statement

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Cashflow Statement

Note 1. Gross cashflows

	2012	2011
	£000	£000
Returns on investments		
Interest received	74	28
Investment income received	307	340
	381	368
 Capital expenditure and financial investment		
Receipts from sales of tangible fixed assets	2,195	3,304
Payments to acquire tangible fixed assets	(1,982)	(1,894)
Receipts from sales of investments	20	94
Payments to acquire investments	-	(5)
	233	1,499
 Management of liquid resources		
(Increase) in deposits held as current asset investments	(286)	(1,602)

Note 2. Analysis of changes in funds

	January 2012	Cashflow	December 2012
	£000	£000	£000
Cash at bank and in hand	2,234	(941)	1,293
Current asset investments	2,718	286	3,004
	4,952	(655)	4,297

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Statement of Accounting Policies For the Year Ended 31 December 2012

(a) Accounting convention

The accounts have been prepared under the historical cost convention modified for the revaluation of certain fixed assets, under the Charities Act 2011, 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 a deficit of £78,000 (2011 deficit £4,159,000).

(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. The amount received in relation to 2012 parish share between 1 January and 31 January 2013 amounted to £220k (2012 £316k). 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 and losses on disposal of fixed assets), 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 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 (of Churchgates 2000 Limited) is stated in note 33 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.

Deferred tax assets are only recognised to the extent that the income is foreseeable.

(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.

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.

Where the DBF is the trustee of buildings of a school which is still open, the risks and rewards of ownership are construed as belonging to the school governors under FRS5. These are not therefore reflected in these financial statements. The number of school properties not included in these accounts is 52.

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.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

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 2011) 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 trustees’ 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 2012	Total funds 2011
	£000	£000	£000	£000	£000
1 Parish contributions					
Parish share requested	6,742	-	-	6,742	6,742
Shortfall in contributions	(660)	-	-	(660)	(430)
	<u>6,082</u>	<u>-</u>	<u>-</u>	<u>6,082</u>	<u>6,312</u>
2 Voluntary income from Archbishops' Council					
Selective allocation	207	-	-	207	164
3 Other voluntary income					
Ecclesiastical Insurance Group	118	-	-	118	104
Donations	74	195	-	269	207
	<u>192</u>	<u>195</u>	<u>-</u>	<u>387</u>	<u>311</u>
4 Income from activities for generating funds					
Rental income from parsonage, glebe & Board houses	192	-	-	192	154
St Nicholas Centre	110	-	-	110	113
Other	7	-	-	7	4
	<u>309</u>	<u>-</u>	<u>-</u>	<u>309</u>	<u>271</u>
5 Investment income					
Dividends receivable	149	161	-	310	306
Interest receivable	9	37	8	54	50
Rents receivable	100	22	-	122	124
	<u>258</u>	<u>220</u>	<u>8</u>	<u>486</u>	<u>480</u>
6 Incoming resources from charitable activities					
Statutory fees and chaplaincy income	410	-	-	410	397
Miscellaneous income	35	-	-	35	50
	<u>445</u>	<u>-</u>	<u>-</u>	<u>445</u>	<u>447</u>
7 Other incoming resources					
Gain on disposal of assets	48	-	48	96	-
8 Cost of activities for generating funds					
Cost of renting out parsonage, glebe and Board houses	39	-	-	39	40
St Nicholas Centre costs of sales	190	-	-	190	199
	<u>229</u>	<u>-</u>	<u>-</u>	<u>229</u>	<u>239</u>
Support costs	11	-	-	11	23
	<u>240</u>	<u>-</u>	<u>-</u>	<u>240</u>	<u>262</u>
9 Investment management costs					
Glebe land	13	-	-	13	10
Investment properties	15	-	-	15	18
	<u>28</u>	<u>-</u>	<u>-</u>	<u>28</u>	<u>28</u>
Support costs	1	-	-	1	3
	<u>29</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>31</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2012	Total funds 2011
	£000	£000	£000	£000	£000
10 Contributions to Archbishops' Council					
Training for ministry	219	-	-	219	217
National Church Responsibilities	205	-	-	205	207
Mission Agency pension contributions	12	-	-	12	14
Retired clergy housing costs (CHARM)	64	-	-	64	61
Pooling of ordinand candidates costs	67	-	-	67	66
	567	-	-	567	565
11 Expenditure on resourcing ministry and mission					
Ministry stipends	3,537	-	-	3,537	3,421
Clergy pensions	1,135	-	-	1,135	1,143
Removals and disturbances	63	-	-	63	98
Parsonage repairs	305	-	-	305	377
Parsonage improvements	-	145	-	145	188
Water charges, council tax, insurance, rent	387	-	-	387	371
Sequestration	4	-	-	4	7
Property administration	140	-	-	140	127
Archdeacons	162	-	-	162	153
Rural deans	10	-	-	10	7
Bishops	15	-	-	15	21
Safeguarding	44	-	-	44	55
CME	110	-	-	110	113
Lay education and training	1	-	-	1	37
Readers	10	-	-	10	12
DMC/MET	122	-	-	122	144
Youth	16	-	-	16	14
Children	44	-	-	44	44
Diocesan ordinands	104	-	-	104	98
Community affairs	59	-	-	59	57
Director of Mission	10	-	-	10	-
Parish resources	84	-	-	84	79
Diocesan communications	96	-	-	96	71
Library	16	-	-	16	21
Resource centre	11	-	-	11	12
Chaplaincies, ecumenism & music	40	3	-	43	30
DAC	85	-	-	85	105
Tourism	87	-	-	87	42
Church inspection	-	41	-	41	29
Redundant church buildings	-	2	-	2	3
Grants (see note 15)	3	180	-	183	128
Other trust expenditure	-	37	-	37	21
	6,700	408	-	7,108	7,028
Support costs	326	20	-	346	673
	7,026	428	-	7,454	7,701
12 Education					
Church schools	-	265	-	265	308
Support costs	-	13	-	13	29
	-	278	-	278	337

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2012	Total funds 2011
	£000	£000	£000	£000	£000
13 Governance costs					
Auditors:					
Audit	20	2	-	22	23
Tax	3	-	-	3	3
Other professional fees	6	-	-	6	3
Chancellor	9	-	-	9	8
Registrar	38	-	-	38	37
General Synod	5	-	-	5	4
DBF Committees and Synod	14	-	-	14	8
Secretariat	220	-	-	220	218
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	315	2	-	317	304
Support costs	15	-	-	15	29
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	330	2	-	332	333
14 Other resources expended					
Loss on sale of fixed assets	-	-	-	-	301
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
15 Grants payable					
	Unrestricted funds	Restricted funds	Endowment funds		
	£000	£000	£000		
	<hr/>	<hr/>	<hr/>		
General grants payable					
Institutional grants greater than £1,000 to support the work of those institutions:					
Churches Together in Suffolk		3	-	-	
Needham Market PCC		-	30	-	
Suffolk Churches Capital Fund for repairs and reordering of church buildings:					
Bawdsey		-	1	-	
Gosbeck		-	1	-	
Hollesley		-	1	-	
Lidgate		-	1	-	
Shelley		-	1	-	
Ipswich St Mary Le Tower		-	1	-	
Stonham Aspal		-	1	-	
Elmsett		-	1	-	
Hundon		-	2	-	
Mendham		-	1	-	
Mettingham		-	2	-	
Somerton		-	2	-	
Syleham		-	1	-	
Wilby		-	2	-	
Other Trusts for the purposes detailed in the individual trust documents:					
The Bishops Discretionary Fund		-	3	-	

Contd...

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The Diocese of Kagera	-	22	-
Gt Finborough CEVCP School	-	2	-
Witnesham PCC	-	100	-
Grants to individuals and others less than £1,000 to further the work of the Board and provisions written back	-	5	-
	3	180	-
	3	180	-

16 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2012 £000	Total funds 2011 £000
Costs of activities for generating funds	11	-	-	11	23
Investment management costs	1	-	-	1	3
Resourcing ministry and mission	326	20	-	346	673
Education	-	13	-	13	29
Governance Costs	15	-	-	15	29
Total resources expended	353	33	-	386	757

Analysis of support costs by type:

	2012 £000	2011 £000
Depreciation	13	12
Staff costs	263	227
Exceptional contribution to lay staff pension deficit	-	420
Post, stationery and photocopying	2	1
Sundry	7	7
Telephone	8	9
Health and safety	3	4
Property costs	60	51
Cleaning	3	4
Computers	27	22
	386	757

17 Staff costs and directors remuneration

Staff costs during the year were as follows:

	2012 £000	2011 £000
Wages and salaries	1,192	1,145
Social security costs	110	103
Pension costs - regular	219	175
Pension costs – deficit payment arising from past service	-	420
	1,521	1,843

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

	2012	2011
Costs of activities for generating funds (includes Churchgates staff)	5.1	5.5
Resourcing ministry and mission	16.1	16.6
Education	3.9	4.1
Governance	4.9	5.4
Support costs	7.4	6.6
	37.4	38.2

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

£60,000 - £70,000	1	1
£70,000 - £80,000	-	1
£80,000 - £90,000	1	-

Non-contributory pension contributions paid in respect of these staff were £Nil (2011 £Nil).

Stipended office holders not employees (full time equivalents)	2012	2011
Archdeacons	2.0	2.0
Parochial clergy	124.7	121.1
Curates	14.9	16.6
Clergy holding ministerial support posts & lay workers	2.8	4.2
	144.4	143.9

At a cost of	£000	£000
Stipends	3,289	3,253
National insurance	251	255
Pension contributions	1,177	1,117
Additional contribution agreed for individual past service	-	58
	4,717	4,683

Trustees' emoluments

None of the directors have received any emoluments from the Board of Finance in respect of services performed as a trustee (2011 £ 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:

	2012	2011
	£000	£000
Expenses - 9 trustees (2011 5)	11	6
Stipends - 11 trustees (2011 6)	150	151
2012 - 12 trustees (2011 8 trustees)	161	157

In respect of the 11 directors (2011 6) who are also stipendiary priests (excluding the 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.

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18. Transfers between funds

	Un- restricted £000	Restricted £000	Endow't £000	Total 2012 £000
Property sales, purchases & improvements	-	223	(223)	-
Transfer to trust capital	-	(13)	13	-
Income from trusts	26	(26)	-	-
Education funding by the Diocesan Board of Finance	(41)	41	-	-
Trading with Churchgates 2000 Ltd	(54)	(6)	60	-
Allocation of support costs	(33)	33	-	-
	(102)	252	(150)	-

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 2012	800	64,138	267	33	65,238
Additions	-	1,911	52	40	2,003
Revaluations	-	491	-	-	491
Disposals	-	(2,083)	(92)	(33)	(2,208)
Cost or valuation at 31 December 2012	800	64,457	227	40	65,524
Accumulated depreciation at 1 January 2012	-	-	229	14	243
Disposals	-	-	(91)	(17)	(108)
Charge for the year	-	-	17	7	24
Accumulated depreciation at 31 December 2012	-	-	155	4	159
Net Book Value at 31 December 2012	800	64,457	72	36	65,365
Net Book Value at 31 December 2011	800	64,138	38	19	64,995
Cost at 31 December 2012 *	1,007	21,212	227	40	22,486
Impairment write downs	-	(752)	-	-	(752)
Net cost at 31 December 2012	1,007	20,460	227	40	21,734
Valuation reserve at 31 December 2012	(207)	43,997	-	-	43,790
	800	64,457	227	40	65,524

On 4 March 2009 the group'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.

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* 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 2012	62,935	147	33	63,115
Additions	1,910	46	40	1,996
Revaluations	491	-	-	491
Disposals	(2,083)	(92)	(33)	(2,208)
Cost or valuation at 31 December 2012	63,253	101	40	63,394
Accumulated depreciation at 1 January 2012	-	113	14	127
Disposals	-	(90)	(17)	(107)
Charge for the year	-	12	7	19
Accumulated depreciation at 31 December 2012	-	35	4	39
Net Book Value at 31 December 2012	63,253	66	36	63,355
Net Book Value at 31 December 2011	62,935	34	19	62,988
Cost at 31 December 2012*	19,438	101	40	19,579
Impairment write downs	(182)	-	-	(182)
Net cost at 31 December 2012	19,256	101	40	19,397
Valuation reserve at 31 December 2012	43,997	-	-	43,997
	63,253	101	40	63,394

Group and company

None of the above properties are held under leasehold.

Land and buildings included above amounting to £63m for the group and company were revalued by the directors at 31 December 2012 on an open market basis. The directors acknowledge that not every property has been the subject of a professional opinion of value. However every property is professionally revalued every five years and account is taken of that valuation by the directors, when considering the value of the remaining portfolio, together with other available market indices. The directors believe that the current balance sheet valuation is a reasonable estimate of the properties open market value as at the 31st December 2012.

Included in the above are assets leased to third parties at 31 December 2012: group £6.9m (2011 £6.8m), company £6.1m (2011 £5.8m).

Included in property disposals	Book value £000	Net proceeds £000
Benefice:		
Brandon	277	253
Walton (Land)	-	33
Glebe:		
Bury St Edmunds Corsbie Close	194	198
Gt Cornard Canhams Close	226	227
Gt Welnetham Rainsford Rd	185	178

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Woodbridge Old Barrack Rd	325	355
Mellis Yaxley Rd	225	232
Ipswich Clarkson St	140	144
Corporate:		
Ipswich Belmont Rd	184	292
Hundon	327	268
	2,083	2,180
	2,083	2,180

20. Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2012	1,206	6,012	7,218
Additions	6	-	6
Revaluations	5	379	384
Disposals	(25)	-	(25)
Valuation at 31 December 2012	1,192	6,391	7,583
Historical cost at 31 December 2012	6	4,400	4,406

The investment property relates to glebe land.

Company	Investment properties £000	Churchgates 2000 Ltd £000	Quoted investments £000	Total £000
Valuation at 1 January 2012	1,206	2,200	6,012	9,418
Additions	6	-	-	6
Revaluations*	5	-	379	384
Disposals	(25)	-	-	(25)
Valuation at 31 December 2012	1,192	2,200	6,391	9,783
Historical cost at 31 December 2012	6	3,400	4,400	7,806

*The directors have valued the company investment in Churchgates 2000 Limited at the total of its net assets as at 31 December 2011, necessitating a £1,200,000 write down in value.

Investments held

Group	2012 £000	2011 £000
Land	1,192	1,206
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	5,393	4,934
Central Board of Finance Property Fund	953	1,038
Other	45	40
	7,583	7,218

The land was valued by Messrs Clarke & Simpson Chartered Surveyors at 31st December 2012.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Company	2012 £000	2011 £000
Land	1,192	1,206
Shares in Churchgates 2000 Limited	2,200	2,200
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	5,393	4,934
Central Board of Finance Property Fund	953	1,038
Other	45	40
	9,783	9,418

Included in investments above is 100% interest in the issued ordinary share capital of Churchgates 2000 Limited. The subsidiary company is incorporated and operated in England and Wales. The investment total is £2,200,000. Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2012 are noted below.

Included in the consolidation:

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

Churchgates 2000 Limited year to 31 December 2012	2012 £000	2011 £000
Turnover	271	276
Cost of sales and administration	(211)	(220)
Net profit	60	56
The assets and liabilities of the subsidiary were:		
Fixed assets	2,010	2,008
Current assets*	276	207
Creditors: amounts falling due within one year	(30)	(19)
Net assets	2,256	2,196
Aggregate share capital and reserves	2,256	2,196

*Included in debtors are amounts due from the holding company of £2,614 (2011 debtors £66)

21 Debtors

	2012		2011	
	Group £000	Charity £000	Group £000	Charity £000
Amounts falling due within one year:				
Trade	14	-	9	-
Collections in progress	220	220	316	316
Other debtors	425	415	571	560
Prepayments	96	96	101	101
Accrued income	176	175	115	115
	931	906	1,112	1,092
Amounts falling due after one year:				
Other debtors	31	31	36	36
	962	937	1,148	1,128

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

22 Short term investments

Group and charity	2012 £000	2011 £000
Building Funds	335	21
Diocesan Stipends Capital Account	404	277
Diocesan Pastoral Account	519	975
Restricted Income Funds	865	966
Unrestricted Funds	76	374
Schools' Fund	805	105
	3,004	2,718

These funds are all held as cash deposits.

23 Creditors: Amounts falling due within one year

	2012		2011	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	4	-	3	-
Amounts owed to group undertaking	-	3	-	-
Taxes and social security	45	36	39	32
Other creditors	195	178	99	91
Accruals and income received in advance	61	61	114	114
Schools	93	93	231	231
	398	371	486	468

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 2012 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations £000	Reserve adjustments £000	At 31 December 2012 £000
General reserve	2,586	7,541	(8,192)	(102)	-	96	1,929
Fixed asset reserve	1,403	-	-	-	-	371	1,774
Fixed asset revaluation reserve	1,617	-	-	-	2	(467)	1,152
Investment revaluation reserve	164	-	-	-	(27)	-	137
	5,770	7,541	(8,192)	(102)	(25)	-	4,992

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 £946,000.

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 2012	Incoming resources	Expenditure	Transfers	Revaluations	Reserve adjustments	At 31 December 2012
	£000	£000	£000	£000	£000	£000	£000
General reserve	2,586	7,362	(8,100)	(15)	-	96	1,929
Fixed asset reserve	1,403	-	-	-	-	371	1,774
Fixed asset revaluation reserve	1,617	-	-	-	2	(467)	1,152
Investment revaluation reserve	164	-	-	-	(27)	-	137
	<u>5,770</u>	<u>7,362</u>	<u>(8,100)</u>	<u>(15)</u>	<u>(25)</u>	<u>-</u>	<u>4,992</u>

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 2012	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2012
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,036	8	(177)	223	-	1,090
Schools fund	1,295	229	(267)	41	-	1,298
Restricted income reserve	27	54	(58)	-	-	23
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	13	18	(22)	1	-	10
Parish	245	19	(103)	(12)	1	150
Stipends	-	13	-	(13)	-	-
Church building	578	43	(41)	(6)	6	580
School	95	19	(3)	(2)	-	109
Other	99	11	(4)	(12)	4	98
Support costs	-	-	(33)	33	-	-
	<u>3,388</u>	<u>415</u>	<u>(708)</u>	<u>252</u>	<u>11</u>	<u>3,358</u>

Included in the above balances are revaluation reserves totalling £28,000 (2011 £30,000).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity

	At 1 January 2012	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2012
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,036	8	(177)	223	-	1,090
Schools fund	1,295	229	(268)	42	-	1,298
Restricted income reserve	27	54	(58)	-	-	23
Trusts:						
Ordination	-	1		(1)	-	-
Overseas	13	18	(22)	1	-	10
Parish	245	19	(103)	(12)	1	150
Stipends	-	13	-	(13)	-	-
Church building	578	43	(46)	(1)	6	580
School	95	19	(3)	(2)	-	109
Other	99	11	(4)	(12)	4	98
	3,388	415	(681)	225	11	3,358

Included in the above balances are revaluation reserves totalling £28,000 (2011 £30,000).

Endowment funds

Group	At 1 January 2012	Incoming resources	Expenditure	Transfers	Revaluations & investment sales	Reserve adjustments	At 31 December 2012
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Diocesan Stipends Fund	13,703	39	-	60	(5)	376	14,173
Diocesan Stipends Fund revaluation reserve	5,732	-	-	-	293	(376)	5,649
Parsonage houses fund	7,807	17	-	(223)	-	27	7,628
Parsonages houses fund revaluation reserve	38,026	-	-	-	330	(27)	38,329
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	549	-	-	-	88	-	637
	66,585	56	-	(163)	706	-	67,184
Permanent endowment:							
Ordination trusts	19	-	-	-	2	-	21
Parish trusts	358	-	-	13	39	-	410
Stipend and pension trusts	452	-	-	-	12	-	464
Church building trusts	756	-	-	-	75	-	831
School trusts	338	-	-	-	34	-	372
Other trusts	161	-	-	-	16	-	177
	2,084	-	-	13	178	-	2,275
	68,669	56	-	(150)	884	-	69,459

Included in permanent endowment balances are revaluation reserves of £1.04m (2011 £0.84m).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	At 1 January 2012 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations & investment sales £000	Reserve adjustments £000	At 31 December 2012 £000
Expendable endowment:							
Diocesan Stipends Fund	14,701	39	-	-	(5)	376	15,111
Diocesan Stipends Fund revaluation reserve	4,739	-	-	-	293	(376)	4,656
Parsonage houses fund	7,807	17	-	(223)	-	27	7,628
Parsonages houses fund revaluation reserve	38,026	-	-	-	330	(27)	38,329
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	549	-	-	-	88	-	637
	66,590	56	-	(223)	706	-	67,129
Permanent endowment:							
Ordination trusts	19	-	-	-	2	-	21
Parish trusts	358	-	-	13	39	-	410
Stipend and pension trusts	452	-	-	-	12	-	464
Church building trusts	756	-	-	-	75	-	831
School trusts	338	-	-	-	34	-	372
Other trusts	161	-	-	-	16	-	177
	2,084	-	-	13	178	-	2,275
	68,674	56	-	(210)	884	-	69,404

Included in permanent endowment balances are revaluation reserves of £1.04m (2011 £0.84m).

Fund

Application /purpose

Diocesan Pastoral Account

Restricted Income

Purposes as laid down in Section 78 of the Pastoral Measure 1983, the main uses being:

- 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

Subject to Section 17 of the Education Act 1993 the funds can be used for:

- 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

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.

The use of the fund is restricted under Section 17 of the Education Act 1993.

Restricted Income

Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

Subject to any charges imposed by the Scheme or Order the fund shall be applied to:

- 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
- 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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 2012, the St Edmundsbury & Ipswich Diocesan Board of Finance made contributions of £219,000 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 2010 and the St Edmundsbury and Ipswich Diocesan Board of Finance's contribution rate was revised to 31.8% with effect from 1st April 2012.

	2012	2011
Deferred pensioners	23	23
Active members	24	24

Defined Benefit Scheme – Clergy

The St Edmundsbury and Ipswich Diocesan Board of Finance participates in the Church of England Funded Pensions Scheme and employs 144 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 31 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 31 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 pension increases consistent with this);
- Increase in pensionable stipends of 3.8% pa; and
- Post-retirement mortality in accordance with 80% of the S1NA tables, with allowance made for improvements in mortality rates from 2003 according to the “medium cohort” projections, and subject to a minimum annual improvement of 1.5% for males and 1.0% for females.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

For schemes such as the Church of England Funded Pensions 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.

Following the results of the 2009 valuation, changes were made to benefits being built up in the Scheme from 1 January 2011 and the contribution rate was set at 38.2% of pensionable stipends (of which 14.7% is in respect of the £262m shortfall in the Scheme and 23.5% is in respect of accrual of future benefits and the day to day expenses of running the Scheme).

Contributions rates will be reviewed at the next valuation of the Scheme, due no later than as at 31 December 2012.

26 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.

27 Analysis of group net assets between funds

	Unrestricted £000	Restricted £000	Endowments £000	Total £000
Fixed assets				
Tangible assets	2,926	-	62,439	65,365
Investments	1,168	112	6,303	7,583
	4,094	112	68,742	72,948
Current assets				
Debtors	560	377	25	962
Investments	77	2,188	739	3,004
Cash at bank and in hand	824	222	247	1,293
	1,461	2,787	1,011	5,259
Creditors < 1 year	(271)	(97)	(30)	(398)
Net current assets	1,190	2,690	981	4,861
Total assets less current liabilities	5,284	2,802	69,723	77,809
Amounts due (to)/from other funds	(292)	556	(264)	-
Total net assets	4,992	3,358	69,459	77,809

28 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 2012 the market value of these trust investments was £2.8m (2011 £2.8m). 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 ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

the school concerned and are not included in these accounts. At 31 December 2012 the total funds held on deposit were £0.6m (2011 £0.8m).

29 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:

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

30 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.

31 Operating lease commitments

The amounts paid by the group and charity in the 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.

	2012	2011
	£000	£000
Expiring during 2-5 years – group & charity	-	22
Expiring after 5 years - charity only	60	60
	60	82

32 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 Rt Revd W N Stock Bishop of St Edmundsbury & Ipswich	Trustee of Allchurches Trust Limited, the 100% parent company of Ecclesiastical Insurance Ltd (EIG)	£117,842 received by the DBF in grant aid from Allchurches Trust
Canon G F Woodward	Trustee of the Bishop’s Trust Fund Director of EWS Chartered Surveyors	£32,422 to EIG for insurance premiums £3,356 grant from trusts. £1,739 rental agency fees paid by CG 2000 Ltd. £4,936 paid by the DBF for advice on Glebe matters.
The Revd T Redman	Partner in Whitworth & Co	£16,388 for quinquennial inspections
Mr N P Edgell	Parent of Director of Blind Spot Parent of band member	£1,269 for property blinds. £150 for band hire
Canon Prof L Smith	Trustee of Stowupland PCC	£28 Hall hire
The Very Revd Dr F Ward	Trustee of the Cathedral & Director of Cathedral Enterprises Ltd	£26,210 property rent and costs, £8,787 refreshments, room hire and recharges.
The Rt Revd C Young	Trustee ERMIC	£3,523 various course fees
Canon A R Allwood	Trustee of Woodbridge St John’s	£280 paid by the DBF for room

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Mr C J E Spicer	PCC	hire for training courses.
The Revd Canon C Jenkin	Pakenham PCC	£128 Training event.
	Trustee of St Mary Le Tower PCC	£1,500 grant in support of the church building.

Not included above as they are common to many trustees are receipts of parish share and assigned fees, and payments of expenses and Elix grants.

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.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix I

The Diocesan Board of Finance Unrestricted Fund Budget Outturn 2012

	Total to date £000	Budget £000	Favourable/ (unfavourable) £000
Income			
Parish Share	6,082	6,742	(660)
Other income received (see below)	1,313	1,122	191
Total incoming resources	7,395	7,864	(469)
Expenditure	8,201	7,998	(203)
Deficit compared to budget	(806)	(134)	(672)
Gain on disposal of assets	48	-	48
Net deficit	(758)	(134)	(624)
Property transfers	-		
Restricted funds movement	5		
Revaluations	(25)		
Net movement in group unrestricted funds	(778)		

	£000	£000	£000
Other Income Received			
Archbishops' Council	221	207	14
Other donations	253	176	77
House rent received	199	130	69
Investment income	188	201	(13)
<i>Statutory Fees & Other Income:</i>			
Other income	27	22	5
Clergy fees	400	355	45
Sequestration fees	10	19	(9)
East Anglican	15	12	3
Total	1,313	1,122	191

Expenditure	£000	£000	£000
Costs of renting out properties	38	30	(8)
Investment management costs	13	11	(2)
Contributions to Archbishops' Council	567	575	8
	618	616	(2)
<i>Resourcing Ministry & Mission</i>			
<i>Parochial Costs</i>			
Stipends and National Insurance	3,537	3,349	(188)
Pensions	1,135	1,063	(72)

Contd.....

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Expenditure continued...	£000	£000	£000
Removals and Relocations	64	80	16
Parsonage Repairs	305	359	54
Water Rates, Council Tax, Insurance & rent	387	371	(16)
Sequestration	4	12	8
Property Administration	140	141	1
Archdeacons	162	160	(2)
Rural Deans	10	13	3
Bishops	15	18	3
Child Protection/Criminal Records Bureau	44	65	21
	5,803	5,631	(172)
<i>Ministry Education & Training</i>			
CME	113	126	13
MET	1	2	1
Readers & LLMs	10	13	3
Lay Ministry Training	122	120	(2)
Diocesan Director of Ordinands	104	148	44
Training DVD	37	-	(37)
	387	409	22
<i>Youth & Children's Ministry</i>			
Youth Work	16	23	7
Children's Work	44	52	8
University Chaplaincy	28	29	1
Board of Education Grant	40	40	-
	128	144	16
<i>Specialist Ministry & Church Buildings</i>			
Director of Mission	10	5	(5)
Community Affairs	60	59	(1)
Parish Resources	84	83	(1)
Communications	96	97	1
Library	16	16	-
Church Requisites	11	10	(1)
Chaplaincies & Ecumenism	21	31	10
Diocesan Advisory Committee	85	82	(3)
Tourism	90	54	(36)
Church Building Scheme Grants	17	-	(17)
	490	437	(53)
<i>Governance & Administration</i>			
Synod and Committees	18	24	6
Secretariat	221	218	(3)
Registrar & Chancellor	47	47	-
Audit & professional fees	32	28	(4)
Accounts	139	139	-
Office services	318	305	(13)
	775	761	(14)
Total	8,201	7,998	(203)

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 2012

	2012	2011
	£	£
Incoming resources		
Interest received	8,415	8,079
Total incoming resources	8,415	8,079
Expenditure		
Parsonage house improvements	144,641	188,448
Redundant Churches	1,996	3,035
Grants	30,000	-
Other items	18	360
Total resources expended	176,655	191,843
Net outgoing resources before transfers	(168,240)	(183,764)
Transfers between funds		
Capital work on property	(63,058)	(614,018)
Property sale proceeds	286,047	463,993
	222,989	(150,025)
Net movement of funds	54,749	(333,789)
Total funds brought forward at 1 January 2012	1,036,497	1,370,286
Total funds carried forward at 31 December 2012	1,091,246	1,036,497

Assets as at 31 December 2012

	2012	2011
	£	£
Current assets		
Loans	3,000	3,000
Amounts owed from other funds	565,117	54,519
Cash	519,337	975,186
Diocesan Pastoral Account London	3,792	3,792
	1,091,246	1,036,497

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 2012

	2012	2011
	£	£
Expenditure		
Gain/(Loss) on sale of properties	38,437	(128,104)
Net incoming/(outcoming) resources before transfers	38,437	(128,104)
Transfers between funds		
Transfer of investments/property from other funds	-	5,500
Churchgates 2000 Limited profit for the year	60,026	55,987
	60,026	61,487
Net incoming/(outgoing) resources after transfers	98,463	(66,617)
Asset revaluations and investment asset movements		
Revaluation of fixed assets	158,443	(301,472)
(Loss)/Gain on disposal of investments	(4,702)	65,047
Revaluation of investments	133,958	314
	287,699	(236,111)
Net movement of funds	386,162	(302,728)
Total funds brought forward at 1 January 2012	19,434,476	19,737,204
Total funds carried forward at 31 December 2012	19,820,638	19,434,476

Assets as at 31 December 2012

	2012	2011
	£	£
Fixed assets	14,806,544	14,461,604
Investment assets	2,622,323	2,507,589
Net assets of Churchgates 2000 Ltd	2,255,649	2,195,621
	19,684,516	19,164,814
Current investments	404,273	277,571
Amounts due to other funds	(268,151)	(7,909)
Net current (liabilities)/assets	136,122	269,662
Total Funds	19,820,638	19,434,476

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix IV

Parish Share 2012 Deanery Summary

Deanery	Parish Share £	Paid £	Not Paid £	Paid %
Bosmere	253,857	248,153	5,704	97.75
Clare	246,908	238,675	8,233	96.67
Hadleigh	304,126	276,712	27,414	90.99
Ixworth	267,103	230,212	36,891	86.19
Lavenham	408,275	399,811	8,464	97.93
Mildenhall	346,753	307,961	38,792	88.81
Samford	293,689	273,153	20,536	93.01
Stowmarket	260,588	251,243	9,345	96.41
Sudbury	397,094	353,869	43,225	89.11
Thingoe	434,413	424,230	10,183	97.66
Waveney & Blyth	559,124	509,305	49,819	91.09
Colneys	460,363	427,209	33,154	92.80
Hartismere	175,691	172,312	3,379	98.08
Hoxne	162,551	161,588	963	99.41
Ipswich	947,677	745,319	202,358	78.65
Loes	326,458	252,696	73,762	77.41
Saxmundham	360,189	358,990	1,199	99.67
Woodbridge	536,889	493,675	43,214	91.95
Total 2012	6,741,748	6,125,113	616,635	90.85
Total 2011	6,741,748	6,295,999	445,729	93.39

Amount received per accounts (note 1 above)	6,081,946
Less late receipts 2011 & add late receipts 2012*	<u>43,167</u>
Amount received as above	<u>6,125,113</u>

* Late receipts up to the 19th February are taken account of in this table, but the accounts themselves are not adjusted.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Company Statement of Financial Activities for the Year Ended 31 December 2012

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds 2012 £000	Total Funds 2011 £000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Parish contributions	6,082	-	-	6,082	6,312
Archbishops' Council	221	-	-	221	163
Other	178	195	-	373	311
Activities for generating funds	199	-	-	199	158
Investment income	189	220	8	417	407
Incoming resources from charitable activities :					
Statutory fees, chaplaincy and other income	445	-	-	445	447
Other incoming resources	48	-	48	96	-
Total incoming resources	7,362	415	56	7,833	7,798
Resources expended					
Costs of generating funds:					
Costs of activities for generating funds	38	-	-	38	41
Investment management costs	13	-	-	13	10
Charitable activities :					
Contributions to Archbishops' Council	567	-	-	567	565
Resourcing ministry and mission	6,706	413	-	7,119	7,035
Education	-	266	-	266	311
Governance costs	318	2	-	320	304
Support Costs	458	-	-	458	832
Other resources expended	-	-	-	-	301
Total resources expended	8,100	681	-	8,781	9,399
Net outgoing/incoming resources before transfers	(738)	(266)	56	(948)	(1,601)
Gross transfers between funds	(15)	225	(210)	-	-
Net outgoing resources before other recognised gains and losses	(753)	(41)	(154)	(948)	(1,601)
Other recognised gains and losses:					
Gains/(losses) on revaluation of fixed assets for charity's own use	2	-	489	491	(1,208)
(Losses)/Gains on investment assets realised	-	-	(5)	(5)	65
(Losses)/gains on investment assets unrealised	(27)	11	400	384	(1,415)
Net movement in funds	(778)	(30)	730	(78)	(4,159)
Reconciliation of funds:					
Total funds at 1 January 2012	5,770	3,388	68,674	77,832	81,991
Total funds at 31 December 2012	4,992	3,358	69,404	77,754	77,832