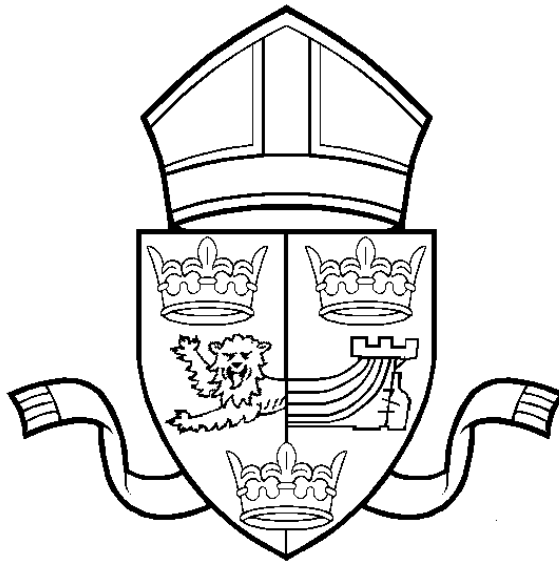


# **The St Edmundsbury and Ipswich Diocesan Board of Finance**



## **2013 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 AND THE STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2013

The trustees, who are also directors for the purposes of company law, present their combined trustees' and directors' report and strategic report together with the audited financial statements, for the year ended 31 December 2013.

This report refers to the Diocese of St Edmundsbury & Ipswich except for parts of section 5 and is set out as follows:

1. Directors, Trustees and Administration
2. Chairman's Statement
3. Objectives
4. Strategic Report:
  - a. Activities, Benefits and Achievements
  - b. Financial Review
  - c. Future Developments
  - d. Principal Risks & Uncertainties
5. 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.cofesuffolk.org](http://www.cofesuffolk.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 5), 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 Dr D Thomson, Acting Bishop of St Edmundsbury & Ipswich (appointed 20.10.2013)

The Rt Revd W N Stock, Lord Bishop of St Edmundsbury and Ipswich (resigned 20.10.2013)

**Chairman (Co opted):** Canon G F Woodward, Chairman of the Finance Committee

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

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

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

Ex officio: The Rt Revd C Young, Bishop of Dunwich (resigned 31.05.2013)

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

Ex officio: Canon M Wilde Chairman of the House of Laity

Elected: Canon T E Allen Diocesan Advisory Committee

Elected: Mr G McGregor House of Laity

Elected: Mr J Barker House of Laity

Elected: Mr D J Lamming House of Laity

Co-opted: The Revd A J Redman House of Clergy (appointed 04.06.2013)

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 R Hinsley House of Clergy

Elected: The Revd Canon C Jenkin House of Clergy

Elected: The Revd S A Loxton House of Clergy

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

Elected: The Revd S J Pitcher House of Clergy  
Elected: Canon A R Allwood House of Laity  
Elected: Mr A C Mullhall House of Laity  
Elected: The Revd A L Chesworth House of Clergy (appointed 27.02.2013)  
Co-opted: The Revd C A Collins House of Clergy (appointed 12.08.2013)  
Co-opted: Mrs M Condick House of Laity (appointed 17.01.2013)

### **Diocesan and Company Secretary and Chief Executive**

Canon N P Edgell, MCIOB, FFB, MIOC, MConstM (Rtd), 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: Ms N Andrews LLB  
Diocesan Advisory Committee and Pastoral Committee Secretary: Mr J Halsall  
Assistant Diocesan Secretary: The Revd Canon G Hedger BA  
Assistant Diocesan Secretary: Mr G Stone BA(Hons), PGDM  
Diocesan Accountant: Mrs C Reade BSc(Hons), ACA

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

### **2. CHAIRMAN'S STATEMENT**

An increase in income and a reduction in spending led to a much reduced deficit of £521,000 compared to the 2012 deficit of £888,000. After revaluation of property and investments the Board showed a total positive return of £828,000, compared to a deficit of £18,000 in 2012. Overall our financial performance improved in 2013 compared to the previous year and we must work toward further improvements over the coming years to ensure our books are balanced and our future secure.

Shortfall in parish share dominates our finances and restricts the work of our church in the parishes. In cash terms we received nearly 3% more share than in 2012, despite the largest deanery by far only able to contribute 78% of the total requested. It is to address such matters that the Centenary Share Scheme has been introduced with effect from 2014. Improved income from the new scheme will not be evident immediately however, as the new scheme and the total asked of parishes is phased in. It is not until we are asking for the full unsubsidised amount needed to balance the books that the real financial benefits of the scheme to the Board will be demonstrated.

All these figures are of course just numerical imprints of some aspects of the work of the church here in Suffolk. Our finances may appear to be improving, but at the cost of losing stipendiary ministry – one of our main *raison d'être*. I am therefore pleased to be involved personally with the work of the Giving Group and commissioning of 31 Local Giving Advisors, who will help to encourage generous giving to support the ministries needed in our parishes. Training opportunities for more LGAs are planned for 2014

I must also refer to our unprecedented gains and losses in respect of Bishops. In March Justin Welby was enthroned as the 105<sup>th</sup> Archbishop of Canterbury. We said a planned farewell to Bishop Clive who retired following valuable service to our community. We also had to say goodbye to Bishop Nigel, whose ministry with us was maturing after several years of careful and caring work, but whose qualities were also needed to assist those ministering at national level, so Bishop Nigel was translated to be Bishop at Lambeth. We will miss both Clive and Nigel who were valued leaders and contributors to the work of our Board. As is often the case however, a decision taken in good faith has resulted in blessing us with the arrival of Bishop David as our acting Bishop. It is a great help to me as chairman and all in the diocese to know we have Bishop David's enthusiastic support in our continuing work and mission. Pending the appointment of a new diocesan Bishop we are glad to have him working with us and leading us into our Centenary Year.

The end of year results suggest to me that we end our first centenary as a diocese with reason to be joyful, confident in the future, enthusiastic in our work to fund the churches mission in our parishes across the diocese and ready to celebrate in hope and faith. It is the Mission and Ministry of the church through the parishes of St Eds and Ips that lies at the heart of everything those of us involved in the Money side of diocesan life do, week in week out. The Money is the fuel that fires up the boilers of our Mission and Ministry so, without it, those fires will gradually go out. My prayer remains that folk will, in increasing numbers, come to realise that these 3 M's are inextricably linked and respond accordingly.

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 3. OBJECTIVES

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

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

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

### 4. STRATEGIC REPORT

#### a) 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.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

In 2013 the Board funded the full time equivalent of 115.1 stipendiary clergy in benefice and mission posts, and 14.7 curates.

	<b>2013 Actual Full Time Equivalents</b>	<b>2012 Actual Full Time Equivalents</b>
Stipendiary parochial clergy	115.1	124.7
Curates	14.7	14.9
House for Duty	1.5	1.0
Administrative staff in lieu of clergy	1.4	1.4
	<u>132.7</u>	<u>142.0</u>
Total parochial stipends & pensions	<u>£4,439,000</u>	<u>£4,672,000</u>

### **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.

	<b>2013</b>	<b>2012</b>
Number of glebe and parsonage properties	156	162
Costs of maintenance and improvements	£546,000	£450,000
Average expenditure per property	<u>£3,500</u>	<u>£2,777</u>

### **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 2013 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.

	<b>2013</b>	<b>2012</b>
Number of projects	45	55
Project expenditure in the year	<u>£1,129,690</u>	<u>£784,074</u>

### **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).

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 2013 was £179,000 more than in 2012, but still £649,000 less than requested, and represents a continuing and significant under-receipt of share, and the consequent continuing use of capital to fund operating shortfalls.

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Parish share requested	6,910	6,742
Parish share received	6,261	6,082
Percentage received as a total of share requested	90.6%	90.2%

### 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 2013 of £2.9m (2012 £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).

## b) Financial review

### Group – Overall financial position

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

	<b>2013</b>	<b>2012</b>	<b>Increase/ (decrease)</b>	<b>%</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>change</b>
<b>Income</b>				
Parish share	6,261	6,082	179	2.9%
Investment income	464	486	(22)	(4.5)%
Other income	1,532	1,444	88	6.1%
	<b>8,257</b>	<b>8,012</b>	245	3.1%
<b>Expenditure</b>				
Parochial stipends & pensions	4,439	4,672	(233)	(5.0)%
Other expenditure	4,339	4,228	111	2.6%
	<b>8,778</b>	<b>8,900</b>	(122)	(1.4)%
<b>Outgoing resources before other recognised gains and losses</b>	(521)	(888)	367	
<b>Other recognised gains and losses</b>	1,349	870	479	
Net movement in funds	828	(18)	846	



## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

**Income** in total for 2013 rose significantly by £245,000 compared to 2012. The largest contributor to this was the £179,000 increase in parish share receipts. The substantial increase in other income is primarily a result of receiving £99,000 more in parochial fees than compared to 2012. This is a sustainable increase, although it must be remembered that additional expenditure on retired clergy who have undertaken some of these services cost £52,000.

**Expenditure** fell by £122,000 compared to 2012. Parochial stipends and fees dropped significantly by £233,000 as average stipendiary numbers fell by nearly 10 full time staff. Other expenditure rose by £111,000, with many underlying changes. The largest of these changes for 2013 were: an increase of £96,000 on property expenditure; an additional £73,000 spent on mission as the Director of Mission commenced his new role; and a further new area of expenditure was the £52,000 paid to retired Ministers for performing non-sequestration offices.

The additional income, and reduction in expenditure, resulted in an improvement on 2012's net outgoings before other recognised gains and losses of £367,000, reducing the deficit of £888,000 in 2012 to £521,000 in 2013.

**Other recognised gains and losses** showed a £1,349,000 net gain in 2013, compared to a £870,000 net gain in 2012. These gains continue to reflect the improvement in investment and property markets.

The resulting **net movement in funds** of the group was an increase of £828,000 (2012 fall £18,000).

There was an overall net cash outflow from operating activities of £966,000, but sustainable investment income reduced this by £360,000, as did £496,000 net inflows from capital sales and purchases, resulting in a total net cash outflow for the year of £110,000 (2012 £655,000 outflow).

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 increase in funds of £562,000, an improvement of £1,340,000 over 2012, which showed a deficit of £778,000. This increase is however after taking into account transfers in from other funds of £814,000 (2012 transfers out of £102,000), and positive investment asset revaluations of £48,000 (2012 negative £25,000). The result on the unrestricted fund before these transfers and adjustments was a deficit of £300,000, but this was still less than half the 2012 deficit of £651,000.

The deficit before transfers of £300,000 was as in previous years principally due to the shortfall in requested parish share receipts of £649,000 (2012 £660,000). Statutory fee and other income increased sharply from 2012, by £111,000 following the changes in fee legislation and rates. Overall therefore total unrestricted income increased by £317,000 from 2012.

Unrestricted expenditure saw a modest fall by £34,000 down to £8,158,000. There was a £233,000 fall in spending on clergy stipends and pensions as full time stipendiary clergy fell on average by nearly 10 ministers over the year, but expenditure on property repairs and renewals rose by £96,000, mission costs rose by £73,000 as the new Director of Mission took up his post and payments to retired clergy in respect of their fees for non-sequestration offices cost £52,000.

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 - £978,000. At 31<sup>st</sup> December 2013 the Board held unrestricted liquid assets of £396,000 (2012 £609,000). These funds are currently less than the £978,000 target, but the Board has recourse to the cash held as part of the Diocesan Pastoral Account (DPA), which can be sub-vented to the unrestricted fund should the financial need arise. At the end of the year the DPA had £817,000 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:

	<b>DPA</b>	<b>Schools</b>	<b>Trusts</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total incoming resources	3	212	177	392	415
Total resources expended	152	225	199	576	708
Net (outgoing)/incoming resources before transfers	(149)	(13)	(22)	(184)	(293)
Transfers	(117)	40	(8)	(85)	252
Net (outgoing)/incoming resources before revaluations	(266)	27	(30)	(269)	(41)
Revaluations	-	-	12	12	11
Net movement in funds	(266)	27	(18)	(257)	(30)

Incoming resources were moderately down by £23,000 to £392,000. Expenditure was however £132,000 lower than in 2012 at £576,000. The Pastoral Account had made a specific £30,000 grant in 2012 but not 2013, the schools fund spent £44,000 less on teacher training projects and staff costs, and trusts also saw a significant drop in grants.

The main transfer was £117,000 net out of the Diocesan Pastoral Account in respect of benefice property costs.

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 2013 free reserves (net of long term debtors) were £817,000 (group and company), (2012 £1.08m).

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.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Endowments

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

	Parsonages £000	DSF Capital £000	Schools £000	Trusts £000	2013 £000	2012 £000
Total incoming resources	7	-	-	-	7	56
Total resources expended	-	44	-	-	44	-
Net (outgoing)/incoming resources before transfers	7	(44)	-	-	(37)	56
Transfers	(744)	15	-	-	(729)	(150)
Net outgoing resources before revaluations	(737)	(29)	-	-	(766)	(94)
Revaluations & investment disposals	389	519	138	243	1,289	884
Net movement in funds	(348)	490	138	243	523	790

The £44,000 expenditure comprised a loss on disposal of a glebe property.

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

Investment and property values rose by £1,236,000 over the year compared with an £875,000 increase in 2012.

### 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 2013 the subsidiary generated a profit before donations of £94,630, (2012 profit £60,000) from an income of £276,000 (2012 £271,000). In 2013 the property valuations remained at their written down level. The charity directors are of the opinion, however, 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.

	2013 £000	2012 £000
11 St Nicholas Street – valuation at 31 December	800	800
Income	48	48

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Investments

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

Investments comprise some 10.5% by value of the balance sheet. The group investment holdings are shown in the table below.

	<b>Valuation 2013 £000</b>	<b>Valuation 2012 £000</b>	<b>Net income 2013 £000</b>	<b>Net income 2012 £000</b>
CBF Investment Fund	6,004	5,393	225	227
CBF Property Fund	951	953	85	82
Glebe Land	1,248	1,192	31	31
Other	44	45	2	1
<b>Total</b>	<b>8,247</b>	<b>7,583</b>	<b>343</b>	<b>341</b>

Quoted investments held at 31 December 2013 were valued at £7.0m (2012 £6.4m). 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. Following a pick up in capital values, and unlike in 2012, the CBF Church of England Property Fund produced a total return above the income return.

	<b>Total Return 12 months %</b>
CBF Investment Funds	17.3%
Composite: UK Equities 45%, Overseas Equities 30% (50% Hedged), Property 5%, Bonds 15% & Cash/Other 5%.	16.9%
CBF Property Funds	7.5%
IPD Balanced Property Unit Trust Index	Not yet available

### Land

Investment in glebe land was valued in the financial statements at £1.2m as at 31 December 2013 (2012 £1.2m). The net rent received for 2013 was £31,000 (2012 £31,000). Property is managed by Messrs Clarke and Simpson, Chartered Surveyors, as professional managing agents. Reports are made 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.

### c) 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, and stipend support available nationally, have decreased.

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

To enable the reducing numbers of stipendiary clergy to be reflected in a direct reduction in the costs (parish share) faced by the parishes affected, a new method of allocating share - the Centenary Share System - will be implemented for the first time in 2014.

To further address the shortfall in income, a first tranche of Local Giving Advisors have been trained to work with their own parishes and benefices. Their objective is to encourage and empower parishes or benefices to fund the mission God is calling them to exercise in response to His love, and the remit covers far more than just giving in terms of money. More advisors will be recruited and trained in 2014 and beyond.

2014 also sees the centenary of the formation of the Diocese of St Edmundsbury and Ipswich. Many celebrations are being planned and the Archbishop of Canterbury will be visiting the diocese to join in those celebrations during the year.

### **d) Principle Risks and Uncertainties**

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.

## **5. 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 ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

### **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 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 442 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.

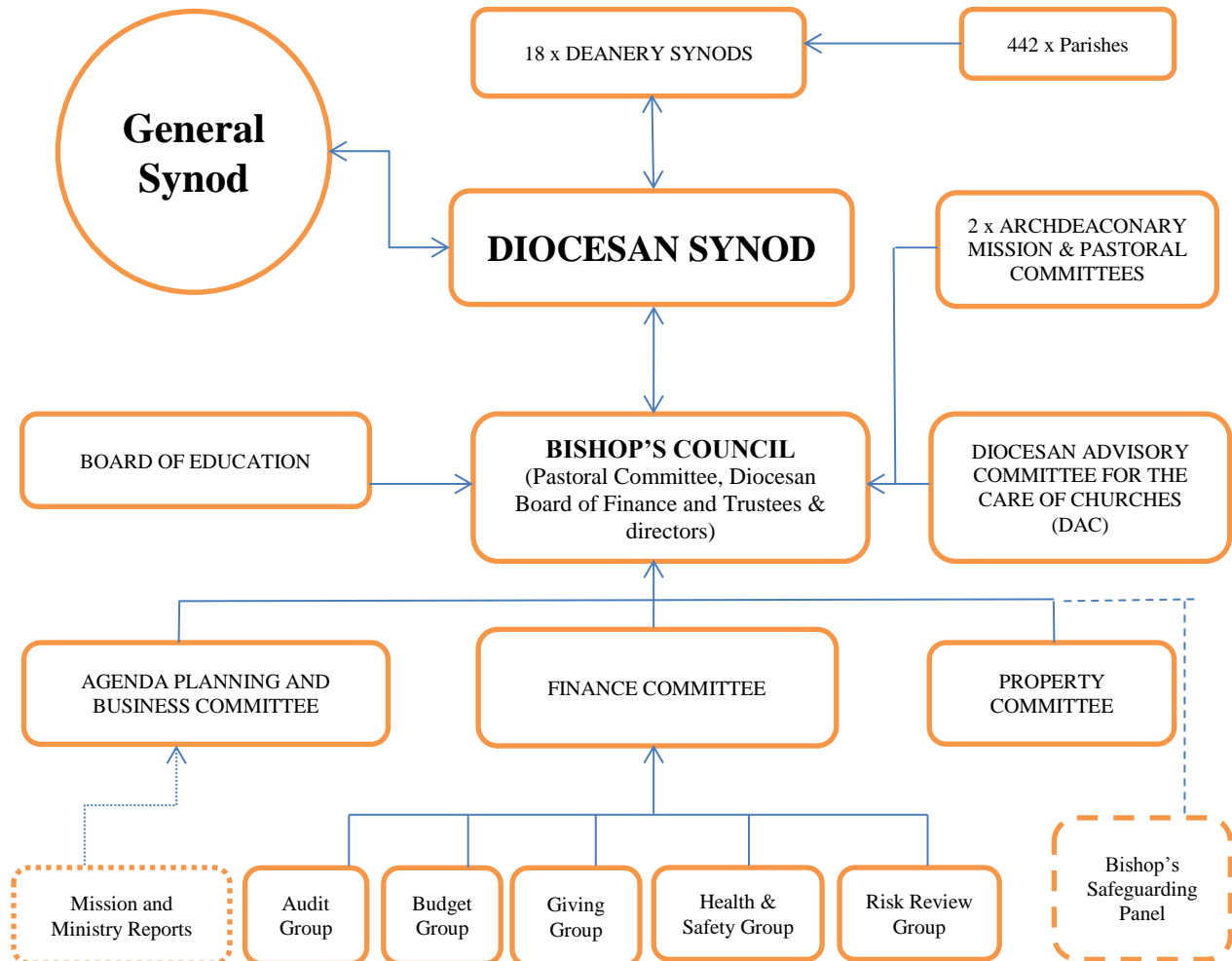
### **Governance**

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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, which are not included below.



*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

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

- 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.

### **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.



## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

### **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 Archdeaconry Mission and Pastoral Sub-Committees – advise on the re-organisation of parishes and benefices.
- The Agenda Planning and Business Committee – responsible for recommending to the Bishop's Council the agenda for Synod and approving the agenda for Bishop's Council.

### **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.

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

### **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 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.

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

### **Parochial Church Councils (PCCs)**

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

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

### **Subsidiary undertaking**

The Diocesan Board of Finance owns 100% of the 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.

### **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.

The trustees and directors report and strategic report were approved by the trustees and directors of the Board and signed on its behalf by:

+ David Huntingdon

The Right Reverend Dr David Thomson Acting Bishop of St Edmundsbury & Ipswich  
Trustee and Director  
St Edmundsbury and Ipswich Diocesan Board of Finance  
St Nicholas Centre  
4 Cutler Street, Ipswich. IP1 1UQ  
1<sup>st</sup> May 2014

## **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 2013 set out on pages 21 to 49. 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 17, 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 Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2013, 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: 6 May 2014

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Consolidated Statement of Financial Activities for the Year Ended 31 December 2013

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2013	Total Funds 2012	
Note	£000	£000	£000	£000	£000	
<b>Incoming resources</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income:						
Parish contributions	1	6,261	-	-	6,261	6,082
Archbishops' Council	2	252	-	-	252	207
Other	3	154	180	-	334	387
Activities for generating funds	4	355	-	-	355	309
Investment income	5	245	212	7	464	486
<b>Incoming resources from charitable activities :</b>						
Statutory fees, chaplaincy and other income	6	556	-	-	556	445
<b>Other incoming resources</b>	7	35	-	-	35	96
<b>Total incoming resources</b>		7,858	392	7	8,257	8,012
<b>Resources expended</b>						
<b>Costs of generating funds:</b>						
Costs of activities for generating funds	8	238	1	-	239	240
Investment management costs	9	24	-	-	24	29
<b>Charitable activities :</b>						
Contributions to Archbishops' Council	10	553	-	-	553	567
Resourcing ministry and mission	11	6,974	339	-	7,313	7,454
Education	12	-	234	-	234	278
<b>Governance costs</b>	13	369	2	-	371	332
<b>Other resources expended</b>	14	-	-	44	44	-
<b>Total resources expended</b>		8,158	576	44	8,778	8,900
<b>Net (outgoing) resources before transfers</b>		(300)	(184)	(37)	(521)	(888)
<b>Gross transfers between funds</b>	18	814	(85)	(729)	-	-
<b>Net incoming/( outgoing) resources before other recognised gains and losses</b>		514	(269)	(766)	(521)	(888)
<b>Other recognised gains and losses:</b>						
Gains on revaluation of fixed assets for charity's own use	19	-	-	540	540	491
Gains/(losses) on investment assets realised		-	-	53	53	(5)
Gains on investment assets unrealised	20	48	12	696	756	384
<b>Net movement in funds</b>		562	(257)	523	828	(18)
<b>Reconciliation of funds:</b>						
Total funds at 1 January 2013		4,992	3,358	69,459	77,809	77,827
Total funds at 31 December 2013		5,554	3,101	69,982	78,637	77,809

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

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Consolidated Summary Income and Expenditure Account Year Ended 31 December 2013

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Total incoming resources (note 1 below)	8,186	7,862
Resources expended (note 1 below)	(8,734)	(8,900)
Operating deficit for the year	(548)	(1,038)
Interest receivable	29	46
Net expenditure before exceptional items	(519)	(992)
Net (deficit)/surplus on sale of fixed assets	(9)	96
Net surplus/(deficit) on sale of investment assets	53	(5)
Net deficit for the year	(475)	(901)

### Supplementary Information

Total income comprises £7,817,000 for unrestricted funds and £369,000 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 notes 8 to 14 to the accounts.

The net deficit for the year of £475,000 comprises £514,000 net surplus on unrestricted funds, £269,000 net deficit from restricted funds and £720,000 net deficit from endowment funds.

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

All incoming resources and resources expended derive from continuing activities.

<b>Note 1 Reconciliation of Summary Income and Expenditure to SoFA</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Incoming resources per SoFA	8,257	8,012
Less surplus on disposal of assets	(35)	(96)
Less interest receivable	(36)	(54)
Total income per above	8,186	7,862
Resources expended per SoFA	(8,778)	(8,900)
Add back deficit on disposal of assets	44	-
Resources expended per above	(8,734)	(8,900)

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Consolidated Statement of Total Recognised Gains and Losses Year Ended 31 December 2013

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Deficit for the financial year (from page 22)	(475)	(901)
Unrealised gain on revaluation of assets	1,296	875
Total recognised gains and losses relating to the year	<u>821</u>	<u>(26)</u>

### Consolidated Note of Historical Cost Profit and Losses

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Deficit for the financial year (from page 22)	(475)	(901)
Realisation of revaluation gains of previous years	408	805
Historic cost loss for the year	<u>(67)</u>	<u>(96)</u>

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



# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Group and Charity Balance Sheet as at 31 December 2013

	Note	Group		Charity	
		2013 £000	2012 £000	2013 £000	2012 £000
<b>Fixed assets</b>					
Tangible assets	19	65,535	65,365	63,525	63,355
Investments	20	8,247	7,583	10,447	9,783
		73,782	72,948	73,972	73,138
<b>Current assets</b>					
Debtors: amounts due within one year	21	1,016	931	1,045	906
Debtors: amounts due after one year	21	33	31	33	31
Investments	22	2,221	3,004	2,221	3,004
Cash at bank and in hand		1,966	1,293	1,647	1,046
		5,236	5,259	4,946	4,987
Creditors: amounts falling due within one year	23	(381)	(398)	(351)	(371)
<b>Net current assets</b>		4,855	4,861	4,595	4,616
<b>Total net assets</b>		78,637	77,809	78,567	77,754
 <b>Capital and reserves</b>					
Unrestricted fund		3,913	3,703	3,913	3,703
Unrestricted fund revaluation reserve		1,641	1,289	1,641	1,289
	24	5,554	4,992	5,554	4,992
Restricted fund		3,061	3,330	3,061	3,330
Restricted fund revaluation reserve		40	28	40	28
	24	3,101	3,358	3,101	3,358
Endowment fund		23,808	23,809	24,731	24,747
Endowment fund revaluation reserve		46,174	45,650	45,181	44,657
	24	69,982	69,459	69,912	69,404
		78,637	77,809	78,567	77,754

Approved by the Board, authorised for issue on 1st May 2014 and signed on its behalf by:

+ David Huntingdon

The Right Reverend Dr David Thomson Acting Bishop of St Edmundsbury & Ipswich (Trustee & Director)

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

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Consolidated Cashflow Statement Year Ended 31 December 2013

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
<b>Reconciliation of net activity before transfers to net cash outflow from operating activities</b>		
Net outgoing resources	(521)	(888)
Depreciation	24	24
Loss/(Profit) on disposal of tangible fixed assets	9	(96)
Returns on investments	(348)	(364)
(Increase)/Decrease in debtors	(99)	169
(Decrease) in creditors	(31)	(114)
<b>Net cash outflow from operating activities</b>	<b>(966)</b>	<b>(1,269)</b>
 <b>Cashflow Statement</b>		
Cashflow from operating activities	(966)	(1,269)
Returns on investments (note 1)	360	381
Capital expenditure and financial investment (note 1)	496	233
Management of liquid resources (note 1)	783	(286)
<b>Increase/(Decrease) in cash</b>	<b>673</b>	<b>(941)</b>
 <b>Reconciliation of net cash flow movement to net funds (note 2)</b>		
Increase/(Decrease) in cash in the period	673	(941)
Cash (outflow)/inflow from change in liquid resources	(783)	286
Net funds at 1 January	4,297	4,952
<b>Net funds at 31 December</b>	<b>4,187</b>	<b>4,297</b>

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

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
<b>Returns on investments</b>		
Interest received	45	74
Investment income received	315	307
	360	381
<b>Capital expenditure and financial investment</b>		
Receipts from sales of tangible fixed assets	1,583	2,195
Payments to acquire tangible fixed assets	(1,227)	(1,982)
Receipts from sales of investments	145	20
Payments to acquire investments	(5)	-
	496	233
<b>Management of liquid resources</b>		
Decrease/(Increase) in deposits held as current asset investments	783	(286)

### Note 2. Analysis of changes in funds

	<b>January 2013</b>	<b>Cashflow</b>	<b>December 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	1,293	673	1,966
Current asset investments	3,004	(783)	2,221
	4,297	(110)	4,187

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Statement of Accounting Policies For the Year Ended 31 December 2013

### (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 surplus of £813,000 (2012 deficit £78,000).

### (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 2013 parish share between 1 January and 31 January 2014 amounted to £290k (2012 £220k). 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 receivable 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) 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.

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
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## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Fixtures and Fittings	20% on cost
Motor vehicles	20% on cost
Computers	20% on cost
Photocopiers	Over 3 years
PV Panels	Over 25 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.

### **(h) 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.

### **(i) 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.

### **(j) Stock**

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

### **(k) Liquid resources**

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

### **(l) 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.

### **(m) Funds Structure**

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

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

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

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

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

## **THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

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.

### **(n) Endowment income, expenditure, assets and transfers**

New endowment funds received by the group are treated as capital additions and excluded from the statutory income and expenditure statement, they are credited to the unrealised endowment reserve.

Gains and losses resulting from the disposal of endowment fixed assets included in the balance sheet are reported under UK GAAP in the income and expenditure statement and credited/debited to the realised endowment reserve.

Gains and losses resulting from the revaluation of endowment fixed assets are reported under UK GAAP in the Statement of Total Recognised Gains and Losses and credited/debited to the endowment revaluation reserve.

Transfers from endowments to income funds are treated as income in so far as they have not already been treated as realised in the income and expenditure statement. Where assets are transferred, any revaluation reserves are also transferred, but to the income fund revaluation reserve and there is no movement in the statement of total recognised gains and losses.

Transfers from income to endowment funds for capital work on property are treated as capital additions and credited to the realised endowment reserve.

# THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

## Notes to the Accounts

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2013	Total funds 2012
	£000	£000	£000	£000	£000
<b>1 Parish contributions</b>					
Parish share requested	6,910	-	-	6,910	6,742
Shortfall in contributions	(649)	-	-	(649)	(660)
	<u>6,261</u>	<u>-</u>	<u>-</u>	<u>6,261</u>	<u>6,082</u>
<b>2 Voluntary income from Archbishops' Council</b>					
Selective allocation	252	-	-	252	207
<b>3 Other voluntary income</b>					
Ecclesiastical Insurance Group	104	-	-	104	118
Donations	50	180	-	230	269
	<u>154</u>	<u>180</u>	<u>-</u>	<u>334</u>	<u>387</u>
<b>4 Income from activities for generating funds</b>					
Rental income from parsonage, glebe & board houses	223	-	-	223	192
St Nicholas Centre	118	-	-	118	110
Other	14	-	-	14	7
	<u>355</u>	<u>-</u>	<u>-</u>	<u>355</u>	<u>309</u>
<b>5 Investment income</b>					
Dividends receivable	145	167	-	312	310
Interest receivable	6	23	7	36	54
Rents receivable	94	22	-	116	122
	<u>245</u>	<u>212</u>	<u>7</u>	<u>464</u>	<u>486</u>
<b>6 Incoming resources from charitable activities</b>					
Statutory fees and chaplaincy income	509	-	-	509	410
Miscellaneous income	47	-	-	47	35
	<u>556</u>	<u>-</u>	<u>-</u>	<u>556</u>	<u>445</u>
<b>7 Other incoming resources</b>					
Gain on disposal of assets	35	-	-	35	96
<b>8 Cost of activities for generating funds</b>					
Cost of renting out parsonage, glebe and Board houses	59	1	-	60	39
St Nicholas Centre costs of sales	167	-	-	167	190
	<u>226</u>	<u>1</u>	<u>-</u>	<u>227</u>	<u>229</u>
Support costs	12	-	-	12	11
	<u>238</u>	<u>1</u>	<u>-</u>	<u>239</u>	<u>240</u>
<b>9 Investment management costs</b>					
Glebe land	15	-	-	15	13
Investment properties	8	-	-	8	15
	<u>23</u>	<u>-</u>	<u>-</u>	<u>23</u>	<u>28</u>
Support costs	1	-	-	1	1
	<u>24</u>	<u>-</u>	<u>-</u>	<u>24</u>	<u>29</u>



## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2013	Total funds 2012
	£000	£000	£000	£000	£000
<b>10 Contributions to Archbishops' Council</b>					
Training for ministry	224	-	-	224	219
National Church Responsibilities	205	-	-	205	205
Mission Agency pension contributions	9	-	-	9	12
Retired clergy housing costs (CHARM)	70	-	-	70	64
Pooling of ordinand candidates costs	45	-	-	45	67
	553	-	-	553	567
<b>11 Expenditure on resourcing ministry and mission</b>					
Ministry stipends	3,368	-	-	3,368	3,537
Clergy pensions	1,071	-	-	1,071	1,135
Fees for non-sequestration offices	52	-	-	52	-
Removals and disturbances	89	-	-	89	63
Parsonage repairs	397	-	-	397	305
Parsonage improvements	-	149	-	149	145
Water charges, council tax, insurance, rent	355	-	-	355	387
Sequestration	9	-	-	9	4
Property administration	103	-	-	103	140
Archdeacons	159	-	-	159	162
Rural deans	9	-	-	9	10
Bishops	12	-	-	12	15
Safeguarding	56	-	-	56	44
Continuing ministerial development	64	-	-	64	110
Lay ministry & training	29	-	-	29	1
Readers	3	-	-	3	10
Ministry education & training	213	-	-	213	122
Youth	21	-	-	21	16
Children	45	-	-	45	44
Diocesan ordinands	58	-	-	58	104
Community affairs	62	-	-	62	59
Director of Mission	63	-	-	63	10
Parish resources	65	-	-	65	84
Diocesan communications	109	-	-	109	96
Library	5	-	-	5	16
Resource centre	-	-	-	-	11
Chaplaincies, ecumenism & music	49	-	-	49	43
DAC	99	-	-	99	85
Tourism	45	-	-	45	87
Church inspection	-	33	-	33	41
Redundant church buildings	-	2	-	2	2
Grants (see note 15)	15	103	-	118	183
Other trust expenditure	-	35	-	35	37
	6,625	322	-	6,947	7,108
Support costs	349	17	-	366	346
	6,974	339	-	7,313	7,454
<b>12 Education</b>					
Church schools	-	222	-	222	265
Support costs	-	12	-	12	13
	-	234	-	234	278

**THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE**

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2013	Total funds 2012
	£000	£000	£000	£000	£000
<b>13 Governance costs</b>					
Auditors:					
Audit 2013	22	2	-	24	22
Audit 2012	1	-	-	1	-
Tax	3	-	-	3	3
Other professional fees	13	-	-	13	6
Chancellor	9	-	-	9	9
Registrar	39	-	-	39	38
General Synod	5	-	-	5	5
DBF Committees and Synod	6	-	-	6	6
Secretariat	253	-	-	253	228
	<hr/>				
	351	2	-	353	317
Support costs	18	-	-	18	15
	<hr/>				
	369	2	-	371	332
	<hr/>				

**14 Other resources expended**

Loss on sale of fixed assets	-	-	44	44	-
	<hr/>				

**15 Grants payable**

	Unrestricted funds	Restricted funds	Endowment funds
	£000	£000	£000
<b>General grants payable</b>			
<b>Institutional grants greater than £1,000 to support the work of those institutions:</b>			
St Edmundsbury Cathedral	11	-	-
Churches Together in Suffolk	3	-	-
Regional Training Partnership	1	-	-
<b>Suffolk Churches Capital Fund for repairs and reordering of church buildings:</b>			
Worlingworth PCC	-	2	-
Elix Scheme Grants	-	15	-
<b>Other Trusts for the purposes detailed in the individual trust documents:</b>			
The Bishops Discretionary Fund	-	3	-
The Diocese of Kagera	-	13	-
Ngara Primary School	-	9	-
Kagera Christian Training College	-	2	-
Gt Finborough CEVCP School	-	2	-
Orford School	-	1	-
Witnesham PCC	-	50	-
<b>Grants to individuals and others less than £1,000</b>	-	6	-
	<hr/>		
	15	103	-
	<hr/>		

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 16 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2013 £000	Total funds 2012 £000
Costs of activities for generating funds	12	-	-	12	11
Investment management costs	1	-	-	1	1
Resourcing ministry and mission	349	17	-	366	346
Education	-	12	-	12	13
Governance Costs	18	-	-	18	15
<b>Total resources expended</b>	<b>380</b>	<b>29</b>	<b>-</b>	<b>409</b>	<b>386</b>

Analysis of support costs by type:

	2013 £000	2012 £000
Depreciation	13	13
Staff costs	299	263
Post, stationery and photocopying	1	2
Sundry	6	7
Telephone	11	8
Health and safety	2	3
Property costs	51	60
Cleaning	3	3
Computers	23	27
	<b>409</b>	<b>386</b>

### 17 Staff costs and directors remuneration

Staff costs during the year were as follows:

	2013 £000	2012 £000
Wages and salaries	1,253	1,192
Social security costs	113	110
Pension costs - regular	287	219
	<b>1,653</b>	<b>1,521</b>

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

	2013	2012
Costs of activities for generating funds (includes Churchgates staff)	2.6	5.1
Resourcing ministry and mission	18.1	16.1
Education	3.5	3.9
Governance	5.3	4.9
Support costs	8.1	7.4
	<b>37.6</b>	<b>37.4</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

	2013	2012
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1
	-	1

Non-contributory pension contributions paid in respect of these staff were £22,737 (2011 £Nil).

<b>Stipended office holders not employees (full time equivalents)</b>	<b>2013</b>	<b>2012</b>
Archdeacons	2.0	2.0
Parochial clergy	115.1	124.7
Curates	14.7	14.9
Clergy holding ministerial support posts & lay workers	1.0	2.8
	132.8	144.4

<b>At a cost of</b>	<b>£000</b>	<b>£000</b>
Stipends	3,108	3,289
National insurance	233	251
Pension contributions	1,107	1,177
	4,448	4,717

### Trustees' emoluments

None of the directors have received any emoluments from the Board of Finance in respect of services performed as a trustee (2012 £ 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:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Expenses - 9 trustees (2012 9)	10	11
Stipends - 9 trustees (2012 11)	214	150
2013 - 11 trustees (2012 11 trustees)	224	161
	224	161

In respect of the 9 directors (2012 11) 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.

### 18 Transfers between funds

	<b>Un- restricted</b>	<b>Restricted</b>	<b>Endow't</b>	<b>Total 2013</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Property sales, purchases & improvements	-	(118)	118	-
Transfer of property between funds	862	-	(862)	-
Income from trusts	26	(26)	-	-
Education funding by the Diocesan Board of Finance	(41)	41	-	-
Churchgates' retained profit	(4)	(11)	15	-
Allocation of support costs	(29)	29	-	-
	814	(85)	(729)	-

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The property sales, purchases and improvements transfers are mostly 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	Freehold land & buildings	Fixtures & fittings	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost or valuation at 1 January 2013	800	64,457	227	40	65,524
Additions	-	1,174	72	-	1,246
Revaluations	-	540	-	-	540
Disposals	-	(1,583)	(9)	-	(1,592)
Cost or valuation at 31 December 2013	800	64,588	290	40	65,718
Accumulated depreciation at 1 January 2013	-	-	155	4	159
Disposals	-	-	-	-	-
Charge for the year	-	-	16	8	24
Accumulated depreciation at 31 December 2013	-	-	171	12	183
Net Book Value at 31 December 2013	800	64,588	119	28	65,535
Net Book Value at 31 December 2012	800	64,457	72	36	65,365
Cost at 31 December 2013 *	1,007	21,104	290	40	22,441
Impairment write downs	-	(731)	-	-	(731)
Net cost at 31 December 2013	1,007	20,373	290	40	21,710
Valuation reserve at 31 December 2013	(207)	44,215	-	-	44,008
	800	64,588	290	40	65,718

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.

\* 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.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Company	Freehold land & buildings £000	Fixtures & fittings £000	Motor vehicles £000	Total £000
Cost or valuation at 1 January 2013	63,253	101	40	63,394
Additions	1,175	70	-	1,245
Revaluations	540	-	-	540
Disposals	(1,583)	(10)	-	(1,593)
Cost or valuation at 31 December 2013	63,385	161	40	63,586
Accumulated depreciation at 1 January 2013	-	35	4	39
Disposals	-	-	-	-
Charge for the year	-	14	8	22
Accumulated depreciation at 31 December 2013	-	49	12	61
Net Book Value at 31 December 2013	63,385	112	28	63,525
Net Book Value at 31 December 2012	63,253	66	36	63,355
Cost at 31 December 2013*	19,331	161	40	19,532
Impairment write downs	(161)	-	-	(161)
Net cost at 31 December 2013	19,170	161	40	19,371
Valuation reserve at 31 December 2013	44,215	-	-	44,215
	63,385	161	40	63,586

### 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 2013 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 31<sup>st</sup> December 2013.

Included in the above are assets leased to third parties at 31 December 2013: group £10.3m (2012 £6.9m), company £9.5m (2012 £6.1m).

### Included in property disposals

	Book value £000	Net proceeds £000
<b>Glebe:</b>		
Ipswich Adelaide Rd	212	207
Elmswell	250	245
Wilby St Mary's Close	278	252
Old Newton	225	227
Framlingham Fulchers Field	310	302
<b>Corporate:</b>		
Worlingworth	308	347
	1,583	1,580

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 20 Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2013	1,192	6,391	7,583
Revaluations	148	608	756
Disposals	(92)	-	(92)
Valuation at 31 December 2013	1,248	6,999	8,247
Historical cost at 31 December 2013	-	4,400	4,400

The investment property relates to glebe land.

Company	Investment properties £000	Churchgates 2000 Ltd £000	Quoted investments £000	Total £000
Valuation at 1 January 2013	1,192	2,200	6,391	9,783
Revaluations	148	-	608	756
Disposals	(92)	-	-	(92)
Valuation at 31 December 2013	1,248	2,200	6,999	10,447
Historical cost at 31 December 2013	-	3,400	4,400	7,800

### Investments held

Group	2013 £000	2012 £000
Land	1,248	1,192
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	6,004	5,393
Central Board of Finance Property Fund	951	953
Other	44	45
	8,247	7,583

The land was valued by Messrs Clarke & Simpson Chartered Surveyors at 31<sup>st</sup> December 2013.

Company	2013 £000	2012 £000
Land	1,248	1,192
Shares in Churchgates 2000 Limited	2,200	2,200
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	6,004	5,393
Central Board of Finance Property Fund	951	953
Other	44	45
	10,447	9,783

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 2013 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 2013

	2013 £000	2012 £000
Gross income	276	271
Total expenditure	(262)	(211)
Net profit	14	60

The assets and liabilities of the subsidiary were:

Fixed assets	2,010	2,010
Current assets	355	276
Creditors: amounts falling due within one year*	(95)	(30)
Net assets	2,270	2,256
Aggregate share capital and reserves	2,270	2,256

\*Included in creditors are amounts due to the holding company of £64,730 (2012 debtors £2,614)

### 21 Debtors

	2013		2012	
	Group £000	Charity £000	Group £000	Charity £000
<b>Amounts falling due within one year:</b>				
Amounts due from group undertaking	-	64	-	-
Trade	20	-	14	-
Collections in progress	290	290	220	220
Other debtors	468	453	425	415
Prepayments	88	88	96	96
Accrued income	150	150	176	175
	1,016	1,045	931	906
<b>Amounts falling due after one year:</b>				
Other debtors	33	33	31	31
	1,049	1,078	962	937



## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 22 Short term investments

Group and charity	2013 £000	2012 £000
Building Funds	342	335
Diocesan Stipends Capital Account	559	404
Diocesan Pastoral Account	371	519
Restricted Income Funds	834	865
Unrestricted Funds	9	76
Schools' Fund	106	805
	2,221	3,004

These funds are all held as cash deposits.

### 23 Creditors: Amounts falling due within one year

	2013		2012	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	5	-	4	-
Amounts owed to group undertaking	-	-	-	3
Taxes and social security	41	32	45	36
Other creditors	163	147	195	178
Accruals and income received in advance	74	74	61	61
Schools	98	98	93	93
	381	351	398	371

### 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 2013 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations £000	Reserve adjustments £000	At 31 December 2013 £000
General reserve	1,929	7,858	(8,158)	814	-	(569)	1,874
Fixed asset reserve	1,774	-	-	-	-	265	2,039
Fixed asset revaluation reserve	1,152	-	-	-	-	304	1,456
Investment revaluation reserve	137	-	-	-	48	-	185
	4,992	7,858	(8,158)	814	48	-	5,554

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### General reserve

The general reserve represents those assets held by the Board for carrying out its general activities. It provides the assets and liquidity for the Board to carry out its objectives including statutory compliance, administration of funds and provision of office facilities. The Board's policy is to maintain a level of cash and liquid assets of not less than six weeks' worth of average costs. This is approximately £980,000.

### 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 2013	Incoming resources	Expenditure	Transfers	Revaluations	Reserve adjustments	At 31 December 2013
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,929	7,757	(8,090)	847	-	(569)	1,874
Fixed asset reserve	1,774	-	-	-	-	265	2,039
Fixed asset revaluation reserve	1,152	-	-	-	-	304	1,456
Investment revaluation reserve	137	-	-	-	48	-	185
	<u>4,992</u>	<u>7,757</u>	<u>(8,090)</u>	<u>847</u>	<u>48</u>	<u>-</u>	<u>5,554</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 2013	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2013
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,090	3	(152)	(117)	-	824
Schools fund	1,298	212	(225)	40	-	1,325
Restricted income reserve	23	46	(36)	(2)	-	31
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	10	27	(25)	1	-	13
Parish	150	18	(52)	-	-	116
Stipends	-	14	-	(14)	-	-
Church building	580	42	(47)	(9)	7	573
School	109	19	(6)	(1)	-	121
Other	98	10	(4)	(11)	5	98
Support costs	-	-	(29)	29	-	-
	<u>3,358</u>	<u>392</u>	<u>(576)</u>	<u>(85)</u>	<u>12</u>	<u>3,101</u>

Included in the above balances are revaluation reserves totalling £40,000 (2012 £28,000)

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Charity

	At 1 January 2013	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2013
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	1,090	3	(152)	(117)	-	824
Schools fund	1,298	212	(227)	42	-	1,325
Restricted income reserve	23	46	(36)	(2)	-	31
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	10	27	(25)	1	-	13
Parish	150	18	(52)	-	-	116
Stipends	-	14	-	(14)	-	-
Church building	580	42	(56)	-	7	573
School	109	19	(6)	(1)	-	121
Other	98	10	(4)	(11)	5	98
	<u>3,358</u>	<u>392</u>	<u>(558)</u>	<u>(103)</u>	<u>12</u>	<u>3,101</u>

Included in the above balances are revaluation reserves totalling £40,000 (2012 £28,000).

### Endowment funds

Group	At 1 January 2013	Incoming resources	Expenditure	Transfers	Revaluations & investment sales	Reserve adjustments	At 31 December 2013
	£000	£000	£000	£000	£000	£000	£000
Expendable endowment:							
Diocesan Stipends Fund	14,173	-	(44)	15	53	127	14,324
Diocesan Stipends Fund revaluation reserve	5,649	-	-	-	466	(127)	5,988
Parsonage houses fund	7,628	7	-	(744)	-	586	7,477
Parsonages houses fund revaluation reserve	38,329	-	-	-	389	(586)	38,132
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	637	-	-	-	138	-	775
	<u>67,184</u>	<u>7</u>	<u>(44)</u>	<u>(729)</u>	<u>1,046</u>	<u>-</u>	<u>67,464</u>
Permanent endowment:							
Ordination trusts	21	-	-	-	2	-	23
Parish trusts	410	-	-	-	41	-	451
Stipend and pension trusts	464	-	-	-	31	-	495
Church building trusts	831	-	-	-	103	-	934
School trusts	372	-	-	-	43	-	415
Other trusts	177	-	-	-	23	-	200
	<u>2,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243</u>	<u>-</u>	<u>2,518</u>
	<u>69,459</u>	<u>7</u>	<u>(44)</u>	<u>(729)</u>	<u>1,289</u>	<u>-</u>	<u>69,982</u>

Included in permanent endowment balances are revaluation reserves of £1.28m (2012 £1.04m).

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Charity	At 1 January 2013 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations & investment sales £000	Reserve adjustments £000	At 31 December 2013 £000
Expendable endowment:							
Diocesan Stipends Fund	15,111	-	(44)	-	53	128	15,248
Diocesan Stipends Fund revaluation reserve	4,656	-	-	-	466	(128)	4,994
Parsonage houses fund	7,628	7	-	(744)	-	586	7,477
Parsonages houses fund revaluation reserve	38,329	-	-	-	389	(586)	38,132
Schools funds	768	-	-	-	-	-	768
Schools funds revaln reserve	637	-	-	-	138	-	775
	<b>67,129</b>	<b>7</b>	<b>(44)</b>	<b>(744)</b>	<b>1,046</b>	<b>-</b>	<b>67,394</b>
Permanent endowment:							
Ordination trusts	21	-	-	-	2	-	23
Parish trusts	410	-	-	-	41	-	451
Stipend and pension trusts	464	-	-	-	31	-	495
Church building trusts	831	-	-	-	103	-	934
School trusts	372	-	-	-	43	-	415
Other trusts	177	-	-	-	23	-	200
	<b>2,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>243</b>	<b>-</b>	<b>2,518</b>
	<b>69,404</b>	<b>7</b>	<b>(44)</b>	<b>(744)</b>	<b>1,289</b>	<b>-</b>	<b>69,912</b>

Included in permanent endowment balances are revaluation reserves of £1.28m (2012 £1.04m).

### 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.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

### **Trusts**

Ordination trust To defray general and specific costs of ordinands' training and expenses.  
Overseas trusts To assist with mission in Rwanda and the Diocese of Kagera.  
Parish trusts To defray various costs in specific parishes. These are included in the diocesan accounts as the Board of Finance is the trustee responsible for the management of the assets in addition to being the custodian trustee.  
Stipends and pension trusts For the augmentation of particular benefices and stipends in general.  
Church building trusts For the maintenance of churches in the Diocese.  
Schools trusts For the use of specific schools as directed by those school governors.  
Other trusts Sundry trusts for various purposes of the Board of Finance and diocesan mission.

### **Diocesan Stipends Fund**

Restricted Income 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 Board of Finance on discrete deposit accounts. The houses are used to provide accommodation for the parochial clergy.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 31<sup>st</sup> December 2013, the St Edmundsbury & Ipswich Diocesan Board of Finance made contributions of £287,000 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 31<sup>st</sup> December 2010 and the St Edmundsbury and Ipswich Diocesan Board of Finance's contribution rate in respect of future accruing benefits was revised to 31.8% of pensionable salaries with effect from 1<sup>st</sup> April 2012. The next valuation of the Fund is due as at December 2013 and the work will be performed over 2014.

	2013	2012
Deferred pensioners	23	23
Active members	25	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 142 members of the Scheme out of a total membership of approximately 8,500 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 2012. This revealed a shortfall of £293m, with assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 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 3.2% pa on gilts and 5.2% pa on equities;
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% pa; and
- Post-retirement mortality in accordance with 80% of the S1NMA tables and S1NFA tables, with allowance made for improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for males and females.

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.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Following the results of the 2012 valuation, the St Edmundsbury and Ipswich Diocesan Board of Finance's contribution rate is due to increase from 38.2% to 39.9% of pensionable stipends from 1 January 2015 (of which 14.1% will be in respect of the £293m shortfall in the Scheme and 25.8% 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 2015.

### 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 potential 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
<b>Fixed assets</b>				
Tangible assets	3,534	-	62,001	65,535
Investments	1,216	124	6,907	8,247
	4,750	124	68,908	73,782
<b>Current assets</b>				
Debtors	618	395	36	1,049
Investments	9	1,311	901	2,221
Cash at bank and in hand	703	945	318	1,966
	1,330	2,651	1,255	5,236
<b>Creditors &lt; 1 year</b>	(210)	(102)	(69)	(381)
Net current assets	1,120	2,549	1,186	4,855
Total assets less current liabilities	5,870	2,673	70,094	78,637
Amounts due (to)/from other funds	(316)	428	(112)	-
<b>Total net assets</b>	5,554	3,101	69,982	78,637

### 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 2013 the market value of these trust investments was £2.9m (2012 £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 school concerned and are not included in these accounts. At 31 December 2013 the total funds held on deposit were £0.4m (2012 £0.6m).

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### 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.

	2013	2012
	£000	£000
Expiring during 2-5 years – group & charity	-	-
Expiring after 5 years - charity only	60	60
	60	60

### 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, transactions will take place with organisations in which a trustee will have an interest. All transactions involving trustees are conducted at arm’s length and in accordance with the company’s normal purchasing procedures.

The following types of transactions are likely to affect most trustees and are not disclosed in the detailed list following:

- Chancel trusts repaid in the year
- Amounts already disclosed under trustee emoluments
- Elix grants to parishes
- Parish share receipts from parishes
- Purchase of parish requisites and subscriptions to the East Anglican magazine
- Parochial Fees due to the DBF
- Leaving gifts for trustees purchased from funds collected for the purpose

#### Transactions identified other than those described above include:

Trustee	Relationship and Related Party	Transaction
The Revd Canon J Alderton-Ford	Trustee of Christchurch Moreton Hall PCC	£186 paid to Moreton Hall PCC for hire charges
Canon A R Allwood	Trustee of Woodbridge St John’ s PCC	£72 (2012 £280) paid by the DBF for room hire for training courses.

*Contd.*



## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Trustee	Relationship and Related Party	Transaction
Canon N P Edgell	Diocesan Secretary	£400 paid to Churchgates 2000 Limited for catering services.
	Parent of Director of Blind Spot	£0 (2012 £1,269 for property blinds).
	Parent of band member	£0 (2012 £150 for band hire)
The Revd Canon C Jenkin	Trustee of St Mary Le Tower PCC	£0 (£1,500 grant in support of the church building).
The Ven Dr D H Jenkins	Trustee of Suffolk Historic Churches Trust	£25,000 received by the DBF in respect of the ELIX grant scheme for church buildings.
The Ven I D J Morgan	Trustee of Elizabeth Walters Charity	£107 to Churchgates 2000 Limited for catering services
The Revd A J Redman	Partner in Whitworth & Co	£19,968 (2012 £16,388) paid from Board Trusts for quinquennial inspections.
Canon Prof L Smith	Trustee of Stowupland PCC	£181 (2012 £28) paid to Stowupland PCC for hall hire.
Mr C J E Spicer	Pakenham PCC	£0 (2012 £128 Training event)
	Trustee of Suffolk Historic Churches Trust	£25,000 received by the DBF in respect of the ELIX grant scheme for church buildings.
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)	£46,034 (2012 £117,842) received by the DBF in grant aid from Allchurches Trust up to the 20 <sup>th</sup> October. £57,361 (2012 £32,422) paid to EIG for property, office & business insurance
The Rt Revd Dr D Thomson Acting Bishop of St Edmundsbury & Ipswich	Trustee of the Bishop's Trust Fund	£3,440 grant from Board Trusts paid to the Bishop's Trust Fund.
	Trustee of Ely DBF	£1,747 paid to Ely DBF for ordination retreat.
	Bishop of St Edmundsbury & Ipswich	£1,831 received by Churchgates 2000 Limited for catering services
The Very Revd Dr F Ward	Trustee of the Cathedral	Paid to the Cathedral by the DBF: £12,266 (2012 £26,210) property rent and costs £11,113 grant
	Director of Cathedral Enterprises Ltd	£3,913 (£8,787) paid to Cathedral Enterprises Ltd for conferences and conference facilities.
Canon G F Woodward	Director of EWS Chartered Surveyors, who were appointed Diocesan Surveyor on the 3 <sup>rd</sup> October 2013.	£1,037 (2012 £1,739) rental agency fees paid by CG 2000 Ltd. £28,096 (2012 £4,936) paid by the DBF for advice on property matters.
The Rt Revd C Young (to 31 <sup>st</sup> May 2013)	Trustee ERM C	£400 (2012 £3,523) paid to ERM C for course fees.

### Amounts due (to) and from related parties at the year end (all transactions):

Trustee	Relationship and Related Party	2013 £	2012 £
Canon A R Allwood	Trustee of Woodbridge St John' s PCC	-	(112)
Canon T E Allen	Trustee of Orford PCC	-	28
Canon N P Edgell	Diocesan Secretary	517	-

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The Revd R Hinsley	Trustee of Felixstowe St John PCC	(153)	-
The Revd Canon C Jenkin	Trustee of Ipswich St Mary Le Tower PCC	187	211
Canon Prof L Smith	Trustee of Stowupland PCC	-	37
Canon P R Smith	Trustee of Framlingham PCC	538	50
The Rt Revd Dr D Thomson	Trustee of Ely DBF	409	-
	Bishop's Office	1,469	-
The Very Revd Dr F Ward	The Cathedral Shop	600	-
	The Cathedral Office	2,322	2,387
	Guildhall Feoffment CP School	55	-
Canon M Wilde	Trustee of Chevington PCC	457	449

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 2013

	Total to date £000	Budget £000	Favourable/ (unfavourable) £000
<b>Income</b>			
Parish Share	6,261	6,910	(649)
Other income received (see below)	1,530	1,185	345
Total incoming resources	7,791	8,095	(304)
<b>Expenditure</b>	8,168	8,168	-
<b>Deficit compared to budget</b>	(377)	(73)	(304)
Gain on disposal of assets	35		
<b>Net deficit</b>	(342)		
Property transfers	863		
Restricted funds movement	(7)		
Revaluations	48		
<b>Net movement in group unrestricted funds</b>	562		

	£000	£000	£000
<b>Other Income Received</b>			
Archbishops' Council	252	252	-
Other donations	302	154	148
House rent received	237	158	79
Investment income	182	184	(2)
Statutory Fees & Other Income:			
Other income	34	32	2
Clergy fees	509	388	121
East Anglican	14	17	(3)
<b>Total</b>	1,530	1,185	345

	£000	£000	£000
<b>Expenditure</b>			
Costs of renting out properties	59	40	(19)
Investment management costs	15	11	(4)
Contributions to Archbishops' Council	553	553	-
	627	604	(23)
Resourcing Ministry & Mission:			
<i>Parochial Costs</i>			
Stipends and National Insurance	3,295	3,319	24
Pensions	1,071	1,091	20
Fees paid for Occasional Offices	52	-	(52)
Sequestration	9	10	1
Removals and Relocations	89	80	(9)
Stipends Support	74	82	8
Parsonage Repairs	397	389	(8)

*Contd.....*

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Expenditure continued...	Total to date £000	Budget £000	Favourable/ (unfavourable) £000
Water Rates, Council Tax, Insurance & rent	355	372	17
Property Administration	103	128	25
Rural Deans	9	11	2
Archdeacons	159	159	-
Bishops	12	12	-
Child Protection	56	57	1
	5,681	5,710	29
<i>Ministry Education &amp; Training</i>			
Ministry, education & training	214	234	20
Continuing ministerial development	65	83	18
Diocesan Director of Ordinands	58	69	11
Lay Ministry Training	29	24	(5)
Readers & Licensed Lay Ministers	3	5	2
	369	415	46
<i>Youth &amp; Children's Ministry</i>			
Children's Work	45	56	11
Board of Education Grant	40	40	-
University Chaplaincy	29	25	(4)
Youth Work	21	20	(1)
	135	141	6
<i>Specialist Ministry &amp; Church Buildings</i>			
Communications	109	115	6
Parish Resources	66	86	20
Community Affairs	62	63	1
Director of Mission	64	54	(10)
Ecumenism & Suffolk Show	18	16	(2)
Grants	16	11	(5)
World Mission Group	4	7	3
Library	5	4	(1)
Diocesan Advisory Committee	100	91	(9)
Tourism	45	32	(13)
Restricted Fund Expenditure	38	2	(36)
	527	481	(46)
<i>Governance &amp; Administration</i>			
Secretariat	248	247	(1)
Registrar & Chancellor	48	48	-
Audit & professional fees	35	28	(7)
Synod and Committees	14	17	3
Office services	327	327	-
Accounts	157	150	(7)
	829	817	(12)
<b>Total</b>	<b>8,168</b>	<b>8,168</b>	<b>-</b>

## 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 2013

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Incoming resources</b>		
Interest received	2,655	8,415
Total incoming resources	2,655	8,415
<b>Expenditure</b>		
Parsonage house improvements	149,410	144,641
Redundant Churches	2,498	1,996
Grants	-	30,000
Other items	-	18
Total resources expended	151,908	176,655
Net outgoing resources before transfers	(149,253)	(168,240)
<b>Transfers between funds</b>		
Capital work on property	(117,928)	(63,058)
Property sale proceeds	-	286,047
	(117,928)	222,989
<b>Net movement of funds</b>	(267,181)	54,749
Total funds brought forward at 1 January 2013	1,091,246	1,036,497
<b>Total funds carried forward at 31 December 2013</b>	<b>824,065</b>	<b>1,091,246</b>

#### Assets as at 31 December 2013

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Current assets</b>		
Loans	3,000	3,000
Amounts owed from other funds	446,669	565,117
Cash	370,604	519,337
Diocesan Pastoral Account London	3,792	3,792
	824,065	1,091,246

## 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 2013

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
<b>Expenditure</b>		
(Loss)/Gain on sale of properties	(43,712)	38,437
Net (outgoing)/incoming resources before transfers	(43,712)	38,437
<b>Transfers between funds</b>		
Churchgates 2000 Limited profit for the year	14,627	60,026
	14,627	60,026
Net (outgoing)/ incoming resources after transfers	(29,085)	98,463
<b>Asset revaluations and investment asset movements</b>		
Revaluation of fixed assets	151,376	158,443
Gain/(loss) on disposal of investments	53,227	(4,702)
Revaluation of investments	315,348	133,958
	519,951	287,699
<b>Net movement of funds</b>	490,866	386,162
Total funds brought forward at 1 January 2013	19,820,638	19,434,476
<b>Total funds carried forward at 31 December 2013</b>	<b>20,311,504</b>	<b>19,820,638</b>

#### Assets as at 31 December 2013

	<b>2013</b>	<b>2012</b>
	<b>£</b>	<b>£</b>
Fixed assets	14,724,744	14,806,544
Investment assets	2,845,751	2,622,323
Net assets of Churchgates 2000 Ltd	2,270,276	2,255,649
	19,840,771	19,684,516
Current investments	558,850	404,273
Amounts due to other funds	(88,117)	(268,151)
Net current (liabilities)/assets	470,733	136,122
<b>Total Funds</b>	<b>20,311,504</b>	<b>19,820,638</b>

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Appendix IV

#### Parish Share 2013 Deanery Summary

Deanery	Parish Share £	Paid £	Not Paid £	Paid %
Bosmere	256,647	251,060	5,587	97.8
Clare	249,564	248,574	990	99.6
Hadleigh	309,870	310,488	(618)	100.2
Ixworth	234,052	214,301	19,751	91.6
Lavenham	415,056	411,713	3,343	99.2
Mildenhall	356,882	289,258	67,624	81.1
Stowmarket	265,252	249,773	15,479	94.2
Sudbury	418,481	367,051	51,430	87.7
Thingoe	484,699	469,518	15,181	96.9
Colneys	469,723	378,724	90,999	80.6
Hartismere	185,731	170,457	15,274	91.8
Hoxne	175,066	173,223	1,843	98.9
Ipswich	982,651	762,514	220,137	77.6
Loes	331,639	280,131	51,508	84.5
Samford	293,748	273,406	20,342	93.1
Saxmundham	377,377	375,414	1,963	99.5
Waveney & Blyth	557,954	487,577	70,377	87.4
Woodbridge	545,900	497,555	48,345	91.1
<b>Total 2013</b>	<b>6,910,292</b>	<b>6,210,737</b>	<b>699,555</b>	<b>89.9</b>
Total 2012	6,741,748	6,125,113	616,635	90.8

Amount received per accounts (Note 1 above)	6,260,879
Less late receipts 2012, 2013 & other receipts	<u>(50,142)</u>
Amount received as above	<u><u>6,210,737</u></u>

Late receipts up to the 3<sup>rd</sup> March of £11,776 are taken account of in this table, but the accounts themselves are not adjusted for these.

## THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

### Company Statement of Financial Activities for the Year Ended 31 December 2013

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds 2013 £000	Total Funds 2012 £000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income:					
Parish contributions	6,261	-	-	6,261	6,082
Archbishops' Council	252	-	-	252	221
Other	234	180	-	414	373
Activities for generating funds	237	-	-	237	199
Investment income	182	212	7	401	417
<b>Incoming resources from charitable activities :</b>					
Statutory fees, chaplaincy and other income	556	-	-	556	445
<b>Other incoming resources</b>	35	-	-	35	96
<b>Total incoming resources</b>	7,757	392	7	8,156	7,833
<b>Resources expended</b>					
<b>Costs of generating funds:</b>					
Costs of activities for generating funds	59	1	-	60	38
Investment management costs	15	-	-	15	13
<b>Charitable activities :</b>					
Contributions to Archbishops' Council	553	-	-	553	567
Resourcing ministry and mission	6,634	331	-	6,965	7,119
Education	-	224	-	224	266
<b>Governance costs</b>	345	2	-	347	320
<b>Support Costs</b>	484	-	-	484	458
<b>Other resources expended</b>	-	-	44	44	-
<b>Total resources expended</b>	8,090	558	44	8,692	8,781
<b>Net outgoing/incoming resources before transfers</b>	(333)	(166)	(37)	(536)	(948)
<b>Gross transfers between funds</b>	847	(103)	(744)	-	-
<b>Net outgoing resources before other recognised gains and losses</b>	514	(269)	(781)	(536)	(948)
<b>Other recognised gains and losses:</b>					
Gains on revaluation of fixed assets for charity's own use	-	-	540	540	491
(Losses)/Gains on investment assets realised	-	-	53	53	(5)
(Losses)/gains on investment assets unrealised	48	12	696	756	384
<b>Net movement in funds</b>	562	(257)	508	813	(78)
<b>Reconciliation of funds:</b>					
Total funds at 1 January 2013	4,992	3,358	69,404	77,754	77,832
Total funds at 31 December 2013	5,554	3,101	69,912	78,567	77,754