

The St Edmundsbury and Ipswich Diocesan Board of Finance



2014 Report and Financial Statements

Company Limited by Guarantee

Registration No 00143034

Charity Registration No 248919

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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THE TRUSTEES' AND DIRECTORS' REPORT AND THE STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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 2014.

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.

The charitable company is limited by guarantee and registered under the Companies Act 1985 Company No 00143034. 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 (Retired 6th April 2015)

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 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

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

Elected: The Revd S J Pitcher House of Clergy

Elected: Canon A R Allwood House of Laity

Elected: Mr A C Mulhall House of Laity

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Elected: The Revd A L Chesworth House of Clergy
Co-opted: The Revd C A Collins House of Clergy
Co-opted: Mrs M Condick House of Laity

Diocesan and Company Secretary and Chief Executive

Canon N P Edgell, MCIQB, FFB, MIOC, MConstM (Rtd), FIGS, MASI

Company Advisers

Auditors: Ensors Accountants LLP, 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, Senator House, 85 Queen Victoria Street, London. EC4V 4ET

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

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2. CHAIRMAN'S STATEMENT

2014 was the first year of the Centenary Share. How did it fare? In percentage terms it held its own at 92% collected compared to 90% in 2013. We stand, at the beginning of a share system that will help deaneries to focus their plans on affordable models of ministry. The need for such models and the need to use share as a tool for change will become all too apparent as you read on.

What does all this mean in relation to the total finances of the diocese? The diocese exists to promote Christianity to the growing population of Suffolk. This work is primarily funded by Centenary Share donated by parishes. While not a complete picture of membership, the average weekly attendance in parishes across the diocese has fallen from 18,100 in 2009 to 16,300 in 2013, the latest year for which we have figures. The number of stipendiary clergy has fallen from 136 full time equivalents in 2010 to 125 today, but this reduction has not bridged the cost deficit in the accounts with the unrestricted fund of the diocesan accounts showing a deficit before asset sales (principally surplus houses following the reduction in clergy numbers) and revaluations every year since 2003 – and the only reason for a surplus in that year was a bequest from a previous chairman in excess of one million pounds.

So against a background of falling attendances, income and clergy numbers, large deficits in the accounts and including - perhaps especially - the costs to parishes of looking after 478 church buildings, what can the diocese do to turn matters around?

St Edmundsbury and Ipswich are not alone in facing this challenge. Nationally there are some dioceses who on present trend will not be able to support their current pattern of parish ministry in ten years. Over the last year or so, the National Church has been looking into a number of areas of the Church's activities. These have been brought together under the heading of Reform and Renewal. The areas include: Discipleship – equipping the laity for effective discipleship; Resourcing the Future – looking to use the national financial support for dioceses to promote changes for the better rather than supporting decline, with a strong bias to the poor; Resourcing Ministerial Education - to equip church leaders for modern day challenges and encouraging vocations while ensuring the most effective use of resources; and Simplification - to reduce the burden of anachronistic legislation on already heavily regulated diocesan and parochial bodies. These and other reports have been considered by the House of Bishops and General Synod and discussions have already been held in each diocese between senior staff and representatives of the National Church Institutions. How does the national initiative affect us? We currently fund the National Church at the rate of around £550,000 per annum – that cost will continue. We are also the recipient of some £250,000 of funding from the Church Commissioners to support clergy in areas of income deprivation, with a set amount for mission, which assists in funding our Director of Mission and our two stipendiary mission posts. This funding will no longer be automatic. Half of the Commissioners' funds will be directed to the areas of the country with the greatest income deprivation, the remainder will be available for dioceses to bid for, to take forward significant projects which are addressing the challenges raised in the Reform and Renewal programme. Unless we are ready to take on these challenges then our diocese is likely to see a significant reduction in its income.

This diocese has not however stood still on these matters. We are in the second year of the appointment of our Director of Mission, who, with the support of the Bishop's Council and Bishop's Staff is working on the Diocesan Vision for Growth project with the aim of increasing both the numbers of people we reach with the Good News, and increasing the depth of knowledge of those individuals already embarked on their journeys with God. Our Director of Ministry Education and Training (MET) continues to implement the MET report to ensure our ministers – lay and ordained are adequately resourced to meet the current day challenges, and alongside this work,

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to encourage and develop new and existing vocations. As Chairman of the Board of Finance, I have been involved in the development of our new share scheme – the Centenary Share, mentioned earlier, as well as being involved in developing the Local Giving Adviser initiative to help benefices and parishes develop Christian giving in all its forms to help deepen their witness and faith.

The new funding mechanism of the National Church will enable us to apply for funding for specific projects undertaken as part of our work. As our Centenary Share system is a driver for change, so the NCI funding bidding process will encourage us to continue to be robust in our objectives and review of our projects, and will enable us to share our work with other dioceses, as we will be able to learn from them about their work.

The rather gloomy figures, with which I opened this statement, are not new but by God's grace we can turn things around. In closing, I offer thanks from a grateful diocese to Bishop David who has overseen the beginning of our work towards a new future in mission. MET and Giving and I offer a warm welcome to Bishop Martin at the start of a challenging time for the church and this diocese – but it has ever been thus!

Let us not bury our heads in the sand over the reality that, financially, we cannot carry on as we are. Maintaining and sustaining a network of 478 'branches' (churches) is financially unrealistic but let us firmly fix our eyes on Him, the author and sustainer of our faith.

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

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3. OBJECTIVES

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

- 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 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 Centenary Share, to the costs of ministry incurred by the Board.

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In 2014 the Board funded the full time equivalent of 110.8 stipendiary clergy in benefice and mission posts, and 11.8 curates.

	2014 Actual Full Time Equivalents	2013 Actual Full Time Equivalents
Stipendiary parochial clergy	110.8	115.1
Curates	11.8	14.7
House for Duty	3.0	1.5
Administrative staff in lieu of clergy	1.4	1.4
	<u>127.0</u>	<u>132.7</u>
Total parochial stipends & pensions	<u>£4,328,000</u>	<u>£4,439,000</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.

	2014	2013
Number of glebe and parsonage properties	153	156
Costs of maintenance and improvements	£593,000	£546,000
Average expenditure per property	<u>£3,876</u>	<u>£3,500</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 2014 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.

	2014	2013
Number of projects	44	45
Project expenditure in the year	<u>£671,580</u>	<u>£1,129,690</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).

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The funding for these costs falls on the parishes through the voluntary Centenary 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 centenary share.

Centenary Share received in 2014 was £272,000 less than in 2013 and £536,000 (2013 £649,000) less than requested. This is however the first year of the new Centenary Share system of allocation and shortfalls are expected to be significantly reduced in future years.

	2014	2013
	£000	£000
Centenary Share requested	6,524	6,910
Centenary Share received	5,989	6,261
Percentage received as a total of share requested	91.8%	90.6%

Statutory activities

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

The trustees are custodian trustees in relation to PCC property and for trust investment assets with a market value at 31 December 2014 of £2.6m (2013 of £2.9m). The investments are held on behalf of Parochial Church Councils and Vicars and Churchwardens, for trusts which benefit the parishes and so fall within the objects of the charity. Each parochial church council is a separate charity. The assets are held separately from those of the Board.

Grant-making (beneficiary-selection) policy

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

b) Financial review

Group – Overall financial position

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

	2014	2013	Increase/ (decrease)	%
	£000	£000	£000	change
Income				
Centenary Share	5,989	6,261	(272)	(4.3)
Investment income	456	464	(8)	(1.7)
Other income	1,527	1,532	(5)	(0.3)
	7,972	8,257	(285)	(3.5)
Expenditure				
Parochial stipends & pensions	4,328	4,439	(111)	(2.5)
Other expenditure	4,840	4,339	501	11.5
	9,168	8,778	390	4.4
Outgoing resources before other recognised gains and losses	(1,196)	(521)	(675)	
Other recognised gains and losses	1,065	1,349	(284)	
Net movement in funds	(131)	828	(959)	

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Income fell by £285,000 from £8.3m in 2013 to £8m in 2014. This was principally due to the fall in Centenary Share receipts of £272,000, this was however against the background of asking for £386,000 less share than in 2013.

Expenditure rose by £390,000 overall, despite a drop in the cost of parochial clergy stipends and pensions of £111,000 as stipendiary clergy numbers fell by 7.2 on average. Included in the £390,000 increase was a write down of £253,000 in the value of the St Nicholas Centre. Apart from this valuation change, the larger increases in expenditure were the additional payment of £90,000 to the Archbishops' Council, (which will benefit the DBF in 2015), the increase by £50,000 in the pastoral account spending on improving parsonages and the costs of appointing (in the schools fund) a schools' effectiveness officer.

The fall in income and increase in expenditure resulted in a £675,000 increase in the groups deficit before revaluations for the year to £1,196,000 from £521,000 in 2013.

Other recognised gains and losses are principally revaluation changes on fixed assets and investments. They produced an increase in value of £1,065,000 in 2014 (2013 £1,349,000).

Overall therefore the net movement in total funds for the group for 2014 showed a decrease of £131,000 (2013 increase £828,000).

Cash balances saw a net outflow from operating activities of £824,000, but sustainable investment income of £331,000 reduced this fall to £493,000. This operating cash shortfall was funded by net capital cash inflows from property and investment sales and purchases of £1,588,000, resulting in an overall net cash inflow for the year to the group of £1,095,000 (2013 £110,000 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 22 encompasses the unrestricted funds of the Board of Finance.

Unrestricted income fell by £258,000 from £7,858,000 in 2013 to £7,600,000 in 2014. This was principally due to the fall in Centenary Share receipts of £272,000.

Unrestricted expenditure rose by £216,000 from 2013, but after adjusting for the £253,000 write down in the value of the Diocesan Office and the St Nicholas Centre, there was a slight fall in expenditure of £37,000. This reflects with the 7.2 fewer full time equivalent parochial clergy, and fall in stipends and pension costs of £111,000 despite a 2.5% increase in the stipends level. There was however an additional payment of £90,000 to the Archbishops' Council in the year. This was the taxable profit generated in Churchgates 2000 Limited. This payment will give the DBF the benefit of a reduced payment to the Archbishops' Council in 2015.

The net result for the unrestricted fund before transfers was a deficit of £774,000, £474,000 worse than in 2013.

Transfers, principally of property for disposal from the benefice fund of £393,000, and the net trading loss of Churchgates of £257,000 reduced the net deficit to £128,000 and after revaluations the overall result for the year was a net surplus of £17,000. (2013 surplus £562,000).

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 parishes paying in arrears. This fact, coupled with the risk of external economic factors on the

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communities' ability to pay in any one year, and the ongoing and significant shortfalls in share received compared to that required, means that the Board considers it prudent to retain sufficient funds in liquid form to meet at least six weeks' worth of budgeted costs - £964,000. At 31st December 2014 the Board held unrestricted liquid assets of £1,034,000 (2013 £396,000).

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 22 is made up of these funds as follows:

	DPA	Schools	Trusts	2014	2013
	£000	£000	£000	£000	£000
Total incoming resources	3	216	151	370	392
Total resources expended	(202)	(271)	(221)	(694)	(576)
Net (outgoing) resources before transfers	(199)	(55)	(70)	(324)	(184)
Transfers	(123)	39	6	(78)	(85)
Net (outgoing) resources before revaluations	(322)	(16)	(64)	(402)	(269)
Revaluations	-	9	7	16	12
Net movement in funds	(322)	(7)	(57)	(386)	(257)

Incoming resources were comparable to 2013 at £370,000 (2013 £392,000). Expenditure was £118,000 greater at £694,000 (2013 £576,000). £50,000 more was spent from the DPA improving parsonages and £48,000 more was spent by schools, principally on new staff to drive school improvements.

The main transfer was £123,000 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 2014 free reserves (net of long term debtors) were £495,000 (group and company), (2013 £817,000).

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

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

Endowments

The endowment funds are constituted by several legally defined funds as described more fully in note 24 to the accounts. Their results for the year as reported in aggregate by the group SoFA on page 22 were as follows:

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	Parsonages £000	DSF Capital £000	Schools £000	Trusts £000	2014 £000	2013 £000
Total incoming resources	2	-	-	-	2	7
Total resources expended	-	(100)	-	-	(100)	(44)
Net (outgoing)/incoming resources before transfers	2	(100)	-	-	(98)	(37)
Transfers	(610)	42	-	-	(568)	(729)
Net (outgoing)/incoming resources before revaluations	(608)	(58)	-	-	(666)	(766)
Revaluations & investment disposals	285	376	98	145	904	1,289
Net movement in funds	(323)	318	98	145	238	523

The £100,000 expenditure comprised losses on disposal of glebe property.

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

Investment and property values rose by £830,000 over the year compared with a £1,236,000 increase in 2013.

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 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 2014 the subsidiary generated a loss before donations of £164,343 (2013 profit £94,630), from an income of £300,000 (2013 £267,000).

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, 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.

	2014 £000	2013 £000
11 St Nicholas Street – valuation at 31 December	600	800
Income	48	48

Investments

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

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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 12% by value of the Charities net assets. The group investment holdings are shown in the table below.

	Valuation 2014 £000	Valuation 2013 £000	Net income 2014 £000	Net income 2013 £000
CBF Investment Fund	6,743	6,004	235	225
CBF Property Fund	1,069	951	78	85
Glebe Land	1,609	1,248	32	31
Other	47	44	5	2
Total	9,468	8,247	350	343

Quoted investments held at 31 December 2014 were valued at £7.9m (2013 £7m). 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 an increase in capital values, the CBF Church of England Property Fund produced a total return above the income return.

	Total Return 12 months %
CBF Investment Funds	10.2
Composite (from 01.01.12): UK Equities 45%, Overseas Equities 30% (50% Hedged), Property 5%, Bonds 15% & Cash/Other 5%.	5.7
CBF Property Funds	20.0
IPD Balanced Property Funds Index	17.3

Land

Investment in glebe land was valued in the financial statements at £1.6m as at 31 December 2014 (2013 £1.2m). The net rent received for 2014 was £32,000 (2013 £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 property.

c) Future Developments

Declining revenues and stipendiary numbers, and crucially falling average weekly church attendances, are symptoms of a declining church in an increasingly affluent and populous county. These challenges need to be addressed across a wide and varied front of which the introduction of the Centenary Share, recruitment of Local Giving Advisers, continued development of the Diocesan Vision for Growth and the Ministry Education and Training report form a key part. These initiatives are still at an early stage however, and form only part of the significant changes needed to ensure the Diocese of St Edmundsbury and Ipswich is demonstrably fit for its purpose of continuing the work of the Church of England in Suffolk. The vision of what the Diocese will become, and how the current work fits into that vision, will only become apparent after the arrival of our new Diocesan Bishop, Bishop Martin, who is to be appointed in 2015.

d) Principal Risks and Uncertainties

The Board of Finance trustees and directors 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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 centenary 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 activities of Churchgates 2000 Limited are fully supported by the holding company which would otherwise have operated them 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 41 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. The Church is governed by General Synod as its legislative and deliberative body at national level, making decisions on matters of doctrine, the holding of church services and relations with other churches. General Synod passes Measures which, if accepted by Parliament, have the effect of Acts of Parliament. It is made up of three groups or houses of members: the Houses of Bishops, Clergy and Laity, and meets in London or York at least twice annually to consider legislation for the broader good of the church.

The three National Church Institutions (NCI)

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

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

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

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

The 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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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.

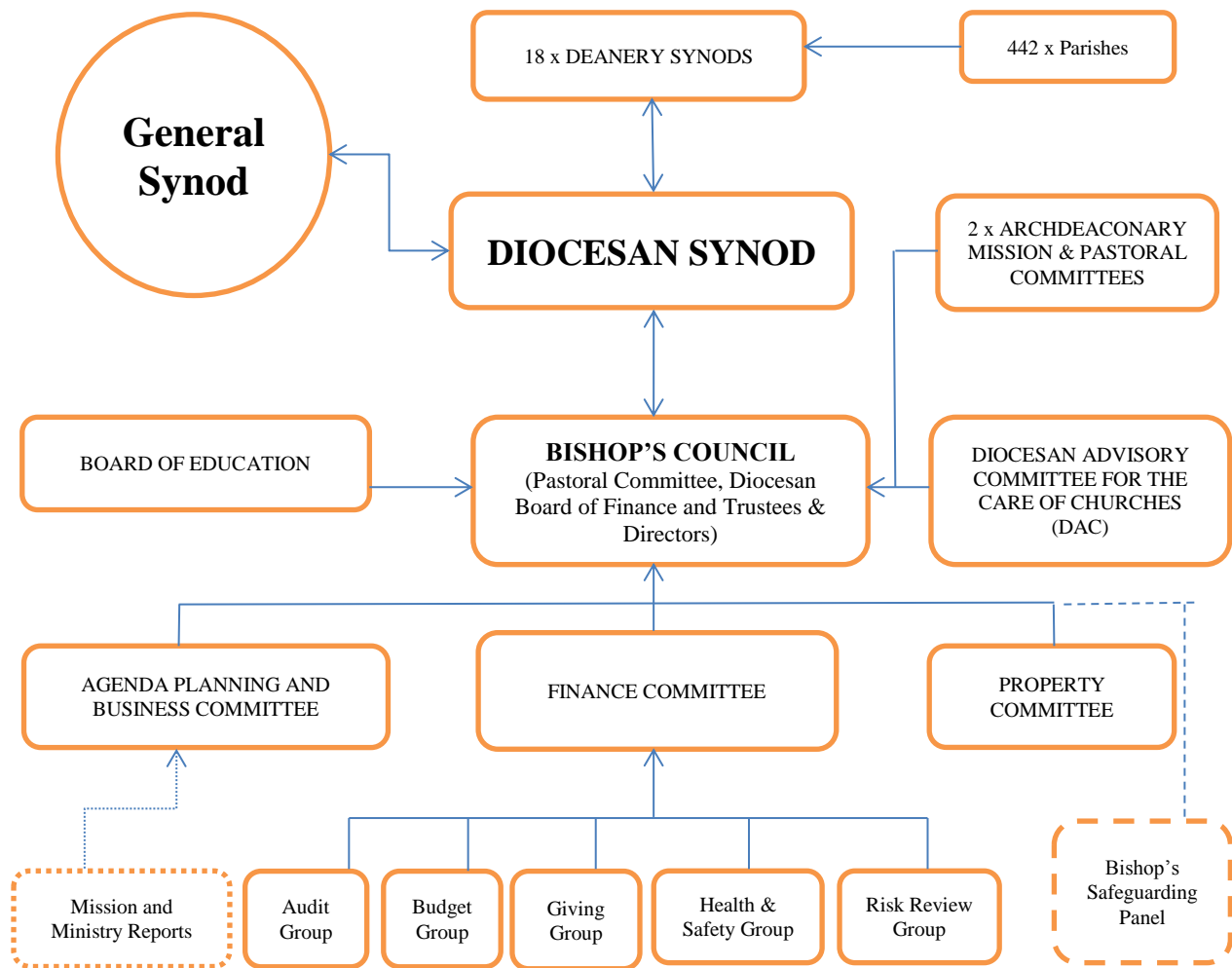
A parish or group of parishes form a benefice, served by an incumbent who typically receives a stipend and the benefit of free occupation and use of a parsonage house, managed and maintained by the Board, for carrying out spiritual and pastoral duties.

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

The simplified diagram overleaf 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.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE



Committee and Organisational Structures

Diocesan Synod

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

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 are required to register. 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 an administration 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 Giving 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 with 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

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. 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.

The 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.

The 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 Accountants LLP 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:

Canon George Woodward

Chairman of the St Edmundsbury & Ipswich Diocesan Board of Finance
Trustee and Director
St Edmundsbury and Ipswich Diocesan Board of Finance
St Nicholas Centre
4 Cutler Street, Ipswich. IP1 1UQ
30th April 2015

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 2014 set out on pages 22 to 50. These accounts have been prepared in accordance with the accounting policies set out on pages 28 to 31.

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 18, 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 2014, 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 Accountants LLP

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

Dated: 8 May 2015

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Statement of Financial Activities for the Year Ended 31 December 2014

	Unrestricted Funds	Restricted Funds	Endowed Funds	Total Funds 2014	Total Funds 2013	
Note	£000	£000	£000	£000	£000	
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Parish contributions	1	5,989	-	-	5,989	6,261
Archbishops' Council	2	252	-	-	252	252
Other	3	146	164	-	310	334
Activities for generating funds	4	353	-	-	353	355
Investment income	5	249	205	2	456	464
Incoming resources from charitable activities :						
Statutory fees, chaplaincy and other income	6	602	1	-	603	556
Other incoming resources	7	9	-	-	9	35
Total incoming resources		7,600	370	2	7,972	8,257
Resources expended						
Costs of generating funds:						
Costs of activities for generating funds	8	526	-	-	526	239
Investment management costs	9	36	-	-	36	24
Charitable activities :						
Contributions to Archbishops' Council	10	644	-	-	644	553
Resourcing ministry and mission	11	6,808	407	-	7,215	7,313
Education	12	-	285	-	285	234
Governance costs	13	360	2	-	362	371
Other resources expended	14	-	-	100	100	44
Total resources expended		8,374	694	100	9,168	8,778
Net (outgoing) resources before transfers		(774)	(324)	(98)	(1,196)	(521)
Gross transfers between funds	18	646	(78)	(568)	-	-
Net (outgoing) resources before other recognised gains and losses		(128)	(402)	(666)	(1,196)	(521)
Other recognised gains and losses:						
Gains on revaluation of fixed assets for charity's own use	19	28	-	128	156	540
Gains on investment assets realised		-	-	74	74	53
Gains on investment assets unrealised	20	117	16	702	835	756
Net movement in funds		17	(386)	238	(131)	828
Reconciliation of funds:						
Total funds at 1 January 2014		5,554	3,101	69,982	78,637	77,809
Total funds at 31 December 2014		5,571	2,715	70,220	78,506	78,637

All incoming resources and resources expended derive from continuing activities.
The notes on pages 28 to 50 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 2014

	2014	2013
	£000	£000
Total incoming resources (note 1 below)	7,939	8,186
Resources expended (note 1 below)	(9,068)	(8,734)
Operating deficit for the year	(1,129)	(548)
Interest receivable	22	29
Net expenditure before exceptional items	(1,107)	(519)
Net (deficit) on sale of fixed assets	(91)	(9)
Net surplus on sale of investment assets	74	53
Net deficit for the year	<u>(1,124)</u>	<u>(475)</u>

Supplementary Information

Total income comprises £7,581,000 for unrestricted funds and £358,000 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 22 and notes 8 to 14 to the accounts.

The net deficit for the year of £1,124,000 comprises £128,000 net deficit on unrestricted funds, £402,000 net deficit from restricted funds and £594,000 net deficit from endowment funds.

The summary income and expenditure account is derived from the Statement of Financial Activities on page 22 which, together with the notes to the financial statements on pages 28 to 50, provides full information on the movements during the year of the funds in the group.

All incoming resources and resources expended derive from continuing activities.

Note 1 Reconciliation of Summary Income and Expenditure to SoFA	2014	2013
	£000	£000
Incoming resources per SoFA	7,972	8,257
Less surplus on disposal of assets	(9)	(35)
Less interest receivable	(24)	(36)
Total income per above	<u>7,939</u>	<u>8,186</u>
Resources expended per SoFA	(9,168)	(8,778)
Add back deficit on disposal of assets	100	44
Resources expended per above	<u>(9,068)</u>	<u>(8,734)</u>

The notes on pages 28 to 50 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 2014

	2014	2013
	£000	£000
Deficit for the financial year (from page 23)	(1,124)	(475)
Unrealised gain on revaluation of assets	991	1,296
Total recognised gains and losses relating to the year	<u>(133)</u>	<u>821</u>

Consolidated Note of Historical Cost Profit and Losses

	2014	2013
	£000	£000
Deficit for the financial year (from page 23)	(1,124)	(475)
Realisation of revaluation gains of previous years	935	408
Historic cost (loss) for the year	<u>(189)</u>	<u>(67)</u>

The notes on pages 28 to 50 form part of these financial statements

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Group and Charity Balance Sheet as at 31 December 2014

	Note	Group		Charity	
		2014 £000	2013 £000	2014 £000	2013 £000
Fixed assets					
Tangible assets	19	63,383	65,535	61,828	63,525
Investments	20	9,468	8,247	11,268	10,447
		72,851	73,782	73,096	73,972
Current assets					
Debtors: amounts due within one year	21	906	1,016	881	1,045
Debtors: amounts due after one year	21	20	33	20	33
Investments	22	3,089	2,221	3,089	2,221
Cash at bank and in hand		2,193	1,966	1,939	1,647
		6,208	5,236	5,929	4,946
Creditors: amounts falling due within one year	23	(553)	(381)	(534)	(351)
Net current assets		5,655	4,855	5,395	4,595
Total net assets		78,506	78,637	78,491	78,567
 Capital and reserves					
Unrestricted fund		3,805	3,913	3,805	3,913
Unrestricted fund revaluation reserve		1,766	1,641	1,766	1,641
	24	5,571	5,554	5,571	5,554
Restricted fund		2,659	3,061	2,659	3,061
Restricted fund revaluation reserve		56	40	56	40
	24	2,715	3,101	2,715	3,101
Endowment fund		24,131	23,808	25,309	24,731
Endowment fund revaluation reserve		46,089	46,174	44,896	45,181
	24	70,220	69,982	70,205	69,912
		78,506	78,637	78,491	78,567

Approved by the Board, authorised for issue on 30th April 2015 and signed on its behalf by:

Canon George Woodward

Chairman of the St Edmundsbury & Ipswich Diocesan Board of Finance

The notes on pages 28 to 50 form part of these financial statements
Company Registration Number 00143034

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Consolidated Cashflow Statement Year Ended 31 December 2014

	2014	2013
	£000	£000
Reconciliation of outgoing resources to net cash outflow from operating activities		
Net outgoing resources	(1,196)	(521)
Depreciation & impairment	280	24
Loss on disposal of tangible fixed assets	91	9
Returns on investments	(339)	(348)
Decrease/(increase) in debtors	131	(99)
Increase/(decrease) in creditors	209	(31)
Net cash outflow from operating activities	(824)	(966)
 Cashflow Statement		
Cashflow from operating activities	(824)	(966)
Returns on investments (note 1)	331	360
Capital expenditure and financial investment (note 1)	1,588	496
Management of liquid resources (note 1)	(868)	783
Increase in cash	227	673
 Reconciliation of net cash flow movement to net funds (note 2)		
Increase in cash in the period	227	673
Cash inflow/(outflow) from change in liquid resources	868	(783)
Net funds at 1 January	4,187	4,297
Net funds at 31 December	5,282	4,187

The notes on page 27 form part of this statement

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Notes to the Cashflow Statement

Note 1. Gross cashflows

	2014	2013
	£000	£000
Returns on investments		
Interest received	24	45
Investment income received	307	315
	331	360
Capital expenditure and financial investment		
Receipts from sales of tangible fixed assets	2,668	1,583
Payments to acquire tangible fixed assets	(768)	(1,227)
Receipts from sales of investments	88	145
Payments to acquire investments	(400)	(5)
	1,588	496
Management of liquid resources		
(Increase)/decrease in deposits held as current asset investments	(868)	783

Note 2. Analysis of changes in funds

	January 2014	Cashflow	December 2014
	£000	£000	£000
Cash at bank and in hand	1,966	227	2,193
Current asset investments	2,221	868	3,089
	4,187	1,095	5,282

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Statement of Accounting Policies For the Year Ended 31 December 2014

(a) Accounting convention

The accounts have been prepared under the historical cost convention modified for the revaluation of certain fixed assets, under the Charities Act 2011, Companies Act 2006, in accordance with applicable United Kingdom accounting standards and the SORP Accounting and Reporting by Charities (Revised 2005), except where stated below.

(b) Basis of consolidation

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

The net result for the charitable company (unconsolidated) was a deficit of £76,000 (2013 surplus £813,000).

(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 Centenary Share. Centenary 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 centenary share does not conform with the SORP recommendation of accounting for contributions when received. The amount received in relation to 2014 Centenary Share between 1 January and 31 January 2015 amounted to £213k (2013 £290k). 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 Archbishops' 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.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

'Special trusts' (as defined by the Charities Act 2011) and any other trusts where the company acts as trustee and controls the management and use of the funds, are included in the company's own financial statements as charity branches, subject to the Charity Commission's determination of their accounting status.

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

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

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

(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 £000	Restricted funds £000	Endowment funds £000	Total funds 2014 £000	Total funds 2013 £000
1 Parish contributions					
Centenary share requested	6,525	-	-	6,525	6,910
Shortfall in contributions	(536)	-	-	(536)	(649)
	5,989	-	-	5,989	6,261
2 Voluntary income from Archbishops' Council					
Selective allocation	252	-	-	252	252
3 Other voluntary income					
Ecclesiastical Insurance Group	109	-	-	109	104
Donations	37	164	-	201	230
	146	164	-	310	334
4 Income from activities for generating funds					
Rental income from parsonage, glebe & board houses	204	-	-	204	223
St Nicholas Centre	138	-	-	138	118
Other	11	-	-	11	14
	353	-	-	353	355
5 Investment income					
Dividends receivable	144	171	-	315	312
Interest receivable	10	12	2	24	36
Rents receivable	95	22	-	117	116
	249	205	2	456	464
6 Incoming resources from charitable activities					
Statutory fees and chaplaincy income	557	-	-	557	509
Miscellaneous income	45	1	-	46	47
	602	1	-	603	556
7 Other incoming resources					
Gain on disposal of assets	9	-	-	9	35
8 Cost of activities for generating funds					
Cost of renting out parsonage, glebe and Board houses	54	-	-	54	60
St Nicholas Centre costs of sales	204	-	-	204	167
Reduction in St Nicholas Centre valuation	253	-	-	253	-
	511	-	-	511	227
Support costs	15	-	-	15	12
	526	-	-	526	239
9 Investment management costs					
Glebe land	28	-	-	28	15
Investment properties	6	-	-	6	8
	34	-	-	34	23
Support costs	2	-	-	2	1
	36	-	-	36	24

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2014	Total funds 2013
	£000	£000	£000	£000	£000
10 Contributions to Archbishops' Council					
Training for ministry	231	-	-	231	224
National Church Responsibilities	198	-	-	198	205
Mission Agency pension contributions	13	-	-	13	9
Retired clergy housing costs (CHARM)	71	-	-	71	70
Pooling of ordinand candidates costs	41	-	-	41	45
Churchgates 2000 Limited donation	90	-	-	90	-
	644	-	-	644	553
11 Expenditure on resourcing ministry and mission					
Ministry stipends	3,287	-	-	3,287	3,368
Clergy pensions	1,041	-	-	1,041	1,071
Fees for non-sequestration offices	50	-	-	50	52
Removals and disturbances	84	-	-	84	89
Parsonage repairs	393	-	-	393	397
Parsonage improvements	-	200	-	200	149
Water charges, council tax, insurance	342	-	-	342	355
Sequestration	12	-	-	12	9
Property administration	120	-	-	120	103
Archdeacons	162	-	-	162	159
Rural deans	11	-	-	11	9
Bishops	14	-	-	14	12
Safeguarding	92	-	-	92	56
Continuing ministerial development	35	-	-	35	64
Lay ministry & training	28	-	-	28	29
Readers	3	-	-	3	3
Ministry education & training	202	-	-	202	213
Youth	4	-	-	4	21
Children	46	-	-	46	45
Diocesan ordinands	49	-	-	49	58
Community affairs	60	-	-	60	62
Director of Mission	66	-	-	66	63
Parish resources	37	-	-	37	65
Diocesan communications	71	-	-	71	109
Library	-	-	-	-	5
Chaplaincies	14	-	-	14	29
World mission group	18	-	-	18	3
Suffolk Show, ecumenism, centenary	44	-	-	44	17
Diocesan advisory committee	97	-	-	97	99
Tourism	37	-	-	37	45
Church inspection	-	50	-	50	33
Redundant church buildings	-	2	-	2	2
Grants (see note 15)	17	132	-	149	118
Other trust expenditure	-	1	-	1	35
	6,436	385	-	6,821	6,947
Support costs	372	22	-	394	366
	6,808	407	-	7,215	7,313
12 Education					
Church schools	-	269	-	269	222
Support costs	-	16	-	16	12
	-	285	-	285	234

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2014	Total funds 2013
	£000	£000	£000	£000	£000
13 Governance costs					
Auditors:					
Audit 2014	22	2	-	24	25
Tax	2	-	-	2	3
Other professional fees	11	-	-	11	13
Chancellor	9	-	-	9	9
Registrar	40	-	-	40	39
General Synod	6	-	-	6	5
DBF committees and synod	5	-	-	5	6
Secretariat	246	-	-	246	253
	341	2	-	343	353
Support costs	19	-	-	19	18
	360	2	-	362	371
14 Other resources expended					
Loss on sale of fixed assets	-	-	100	100	44
	-	-	100	100	44
15 Grants payable					
	Unrestricted funds	Restricted funds	Endowment funds		
	£000	£000	£000		
General grants payable					
Institutional grants greater than £1,000 to support the work of those institutions:					
St Edmundsbury Cathedral	12	-	-		
Churches Together in Suffolk	3	-	-		
Regional Training Partnership	1	-	-		
Other Trusts for the purposes detailed in the individual trust documents:					
The Bishops Discretionary Fund	-	4	-		
The Diocese of Kagera	-	22	-		
Ngara Primary School	-	7	-		
Kagera Christian Training College	-	1	-		
Gt Finborough CEVCP School	-	2	-		
Autism Suffolk	-	2	-		
Bramfield School	-	5	-		
Cavendish School	-	1	-		
Easton PCC	-	1	-		
Hintlesham School	-	1	-		
Leiston Abbey	-	74	-		
Old Newton School	-	7	-		
Grants to individuals and others less than £1,000	1	5	-		
	17	132	-		
	17	132	-		

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

16 Support costs

	Unrestricted funds £000	Restricted funds £000	Endowment funds £000	Total funds 2014 £000	Total funds 2013 £000
Costs of activities for generating funds	15	-	-	15	12
Investment management costs	2	-	-	2	1
Resourcing ministry and mission	372	22	-	394	366
Education	-	16	-	16	12
Governance Costs	19	-	-	19	18
Total	408	38	-	446	409

Analysis of support costs by type:

	2014 £000	2013 £000
Depreciation	15	13
Staff costs	313	299
Post, stationery and photocopying	2	1
Sundry	7	8
Telephone	10	11
Property costs	68	51
Cleaning	2	3
Computers	29	23
	446	409

17 Staff costs and directors remuneration

Staff costs during the year were as follows:

	2014 £000	2013 £000
Wages and salaries	1,269	1,253
Social security costs	110	113
Pension costs - regular	312	287
	1,691	1,653

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

	2014	2013
Costs of activities for generating funds (includes Churchgates staff)	2.2	2.6
Resourcing ministry and mission	18.0	18.1
Education	4.1	3.5
Governance	4.6	5.3
Support	8.3	8.1
	37.2	37.6

The average number of employees during the year was:

48.4	46.0
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THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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

	2014	2013
£60,000 - £70,000	1	-
£70,000 - £80,000	1	1

Non-contributory pension contributions paid in respect of these staff were £42,803 (2013 £22,737)

Stipended office holders not employees (full time equivalents)	2014	2013
Archdeacons	2.0	2.0
Parochial clergy	110.8	115.1
Curates	11.8	14.7
Clergy holding ministerial support posts	0.8	1.0
	125.4	132.8

At a cost of	£000	£000
Stipends	3,039	3,108
National insurance	231	233
Pension contributions	1,071	1,107
	4,341	4,448

Trustees' emoluments

None of the directors have received any emoluments from the Board of Finance in respect of services performed as a trustee (2013 £ 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:

	2014	2013
	£000	£000
Expenses - 9 trustees (2013 9)	9	10
Stipends - 9 trustees (2013 9)	234	214
2014 - 11 trustees (2013 11 trustees)	243	224

In respect of the 9 directors (2013 9) 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

	Un- restricted	Restricted	Endow't	Total
	£000	£000	£000	2014
				£000
Property sales, purchases & improvements	-	(123)	123	-
Transfer of property between funds	436	-	(436)	-
Income from trusts	32	(32)	-	-
Education funding by the Diocesan Board of Finance	(41)	41	-	-
Churchgates 2000 Ltd's deficit	257	(2)	(255)	-
Allocation of support costs	(38)	38	-	-
	646	(78)	(568)	-

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 2014	800	64,588	290	40	65,718
Impairment write down	-	(253)	-	-	(253)
Additions	-	706	25	-	731
Revaluations	(200)	356	-	-	156
Disposals	-	(2,759)	-	-	(2,759)
Cost or valuation at 31 December 2014	600	62,638	315	40	63,593
Accumulated depreciation at 1 January 2014	-	-	171	12	183
Disposals	-	-	-	-	-
Charge for the year	-	-	19	8	27
Accumulated depreciation at 31 December 2014	-	-	190	20	210
Net Book Value at 31 December 2014	600	62,638	125	20	63,383
Net Book Value at 31 December 2013	800	64,588	119	28	65,535
Cost at 31 December 2014 *	1,007	19,934	315	40	21,296
Impairment write downs	-	(947)	-	-	(947)
Net cost at 31 December 2014	1,007	18,987	315	40	20,349
Valuation reserve at 31 December 2014	(407)	43,651	-	-	43,244
	600	62,638	315	40	63,593

On 31 December 2014 the group's Freehold Property, Churchgates House and The St Nicholas Centre, was revalued to its market value of £950,000 and the Investment Property was revalued to its market value of £600,000 by EWS, 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 2014	63,385	161	40	63,586
Additions	706	25	-	731
Revaluations	356	-	-	356
Disposals	(2,759)	-	-	(2,759)
Cost or valuation at 31 December 2014	61,688	186	40	61,914
Accumulated depreciation at 1 January 2014	-	49	12	61
Disposals	-	-	-	-
Charge for the year	-	17	8	25
Accumulated depreciation at 31 December 2014	-	66	20	86
Net Book Value at 31 December 2014	61,688	120	20	61,828
Net Book Value at 31 December 2013	63,385	112	28	63,525
Cost at 31 December 2014	18,161	186	40	18,387
Impairment write downs	(124)	-	-	(124)
Net cost at 31 December 2014	18,037	186	40	18,263
Valuation reserve at 31 December 2014	43,651	-	-	43,651
	61,688	186	40	61,914

Group and company

None of the above properties are held under leasehold.

Land and buildings included above amounting to £63m for the group and £62m for the company were revalued by the directors at 31 December 2014 on an open market basis. The directors acknowledge that not every property has been the subject of a professional opinion of value. However every property is professionally revalued every five years and account is taken of that valuation by the directors, when considering the value of the remaining portfolio, together with other available market indices. The directors believe that the current balance sheet valuation is a reasonable estimate of the properties open market value as at the 31st December 2014.

Included in the above are assets leased to third parties at 31 December 2014: group £6.4m (2013 £10.3m), company £5.8m (2013 £9.5m).

Included in property disposals	Book value £000	Net proceeds £000
Glebe:		
Ipswich, Westerfield Road	609	591
Ipswich, Holland Road	177	157
Aldeburgh, Birches	381	360
Beccles, Queens Road	239	220
Red Lodge	326	304

Contd...

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Contd...

Corporate:

Thurston	436	445
Fressingfield	258	269
Woolverstone	333	322
	2,759	2,668
	2,759	2,668

20 Fixed asset investments

Group	Investment properties £000	Quoted investments £000	Total £000
Valuation at 1 January 2014	1,248	6,999	8,247
Additions	-	400	400
Revaluations	375	460	835
Disposals	(14)	-	(14)
Valuation at 31 December 2014	1,609	7,859	9,468
Historical cost at 31 December 2014	-	4,800	4,800

The investment property relates to glebe land.

Company	Investment properties £000	Churchgates 2000 Ltd £000	Quoted investments £000	Total £000
Valuation at 1 January 2014	1,248	2,200	6,999	10,447
Additions	-	-	400	400
Revaluations	375	(400)	460	435
Disposals	(14)	-	-	(14)
Valuation at 31 December 2014	1,609	1,800	7,859	11,268
Historical cost at 31 December 2014	-	3,400	4,800	8,200

Investments held

Group	2014 £000	2013 £000
Land	1,609	1,248
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	6,743	6,004
Central Board of Finance Property Fund	1,069	951
Other	47	44
	9,468	8,247
	9,468	8,247

The land was valued by Messrs Clarke & Simpson Chartered Surveyors at 31st December 2014.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Company	2014 £000	2013 £000
Land	1,609	1,248
Shares in Churchgates 2000 Limited	1,800	2,200
Listed investments and common investment funds:		
Central Board of Finance Investment Fund	6,743	6,004
Central Board of Finance Property Fund	1,069	951
Other	47	44
	11,268	10,447

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 £1,800,000 (2013 £2,200,000). Extracts of Churchgates 2000 Limited financial statements for the year ended 31 December 2014 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 the Sanctuary Café, 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 2014	2014 £000	2013 £000
Gross income	300	276
Expenditure	(301)	(262)
Write down on property valuations	(253)	-
Net (loss)/profit	(254)	14

The assets and liabilities of the subsidiary were:

Fixed assets	1,555	2,010
Current assets	292	355
Creditors: amounts falling due within one year	(31)	(95)
Net assets	1,816	2,270
Aggregate share capital and reserves	1,816	2,270

Included in debtors are amounts due from the holding company of £13,366 (2013 creditors £64,730)

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

21 Debtors

	2014		2013	
	Group £000	Charity £000	Group £000	Charity £000
Amounts falling due within one year:				
Amounts due from group undertaking	-	-	-	64
Trade	12	-	20	-
Collections in progress - share	213	213	290	290
Other debtors	476	463	468	453
Prepayments	76	76	88	88
Accrued income	129	129	150	150
	<u>906</u>	<u>881</u>	<u>1,016</u>	<u>1,045</u>
Amounts falling due after one year:				
Other debtors	20	20	33	33
	<u>926</u>	<u>901</u>	<u>1,049</u>	<u>1,078</u>

22 Short term investments

Group and charity	2014 £000	2013 £000
Building Funds	343	342
Diocesan Stipends Capital Account	1,314	559
Diocesan Pastoral Account	541	371
Restricted Income Funds	777	834
Unrestricted Funds	8	9
Schools' Fund	106	106
	<u>3,089</u>	<u>2,221</u>

These funds are all held as cash deposits.

23 Creditors: Amounts falling due within one year

	2014		2013	
	Group £000	Charity £000	Group £000	Charity £000
Trade creditors	5	-	5	-
Amounts owed to group undertaking	-	13	-	-
Taxes and social security	48	38	41	32
Other creditors	123	106	163	147
Accruals and income received in advance	88	88	74	74
Schools	289	289	98	98
	<u>553</u>	<u>534</u>	<u>381</u>	<u>351</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

24 Funds

Unrestricted funds

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

Group

	At 1 January 2014	Incoming resources	Expenditure	Transfers	Revaluations	Reserve adjustments	At 31 December 2014
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,874	7,600	(8,374)	210	-	937	2,247
Fixed asset reserve	2,039	-	-	-	-	(481)	1,558
Fixed asset revaluation reserve	1,456	-	-	436	28	(456)	1,464
Investment revaluation reserve	185	-	-	-	117	-	302
	<u>5,554</u>	<u>7,600</u>	<u>(8,374)</u>	<u>646</u>	<u>145</u>	<u>-</u>	<u>5,571</u>

General reserve

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

Fixed asset reserve

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

Charity

	At 1 January 2014	Incoming resources	Expenditure	Transfers	Revaluations	Reserve adjustments	At 31 December 2014
	£000	£000	£000	£000	£000	£000	£000
General reserve	1,874	7,399	(7,954)	(9)	-	937	2,247
Fixed asset reserve	2,039	-	-	-	-	(481)	1,558
Fixed asset revaluation reserve	1,456	-	-	436	28	(456)	1,464
Investment revaluation reserve	185	-	-	-	117	-	302
	<u>5,554</u>	<u>7,399</u>	<u>(7,954)</u>	<u>427</u>	<u>145</u>	<u>-</u>	<u>5,571</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Restricted Income Funds

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

Group

	At 1 January 2014	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2014
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	824	3	(202)	(123)	-	502
Schools fund	1,325	216	(271)	39	9	1,318
Restricted income reserve	31	11	(20)	(11)	-	11
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	13	35	(29)	-	-	19
Parish	116	18	(1)	-	-	133
Stipends	-	14	-	(14)	-	-
Church building	573	42	(105)	(6)	4	508
School	121	19	(16)	-	-	124
Other	98	11	(12)	-	3	100
Support costs	-	-	(38)	38	-	-
	<u>3,101</u>	<u>370</u>	<u>(694)</u>	<u>(78)</u>	<u>16</u>	<u>2,715</u>

Included in the above balances are revaluation reserves totalling £56,000 (2013 £40,000)

Charity

	At 1 January 2014	Incoming resources	Expenditure	Transfers	Revaluations	At 31 December 2014
	£000	£000	£000	£000	£000	£000
Diocesan Pastoral Account	824	3	(202)	(123)	-	502
Schools fund	1,325	216	(273)	41	9	1,318
Restricted income reserve	31	11	(20)	(11)	-	11
Trusts:						
Ordination	-	1	-	(1)	-	-
Overseas	13	35	(29)	-	-	19
Parish	116	18	(1)	-	-	133
Stipends	-	14	-	(14)	-	-
Church building	573	42	(105)	(6)	4	508
School	121	19	(16)	-	-	124
Other	98	11	(12)	-	3	100
	<u>3,101</u>	<u>370</u>	<u>(658)</u>	<u>(114)</u>	<u>16</u>	<u>2,715</u>

Included in the above balances are revaluation reserves totalling £56,000 (2013 £40,000).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Endowment Funds

Group	At 1 January 2014 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations & investment sales £000	At 31 December 2014 £000
Expendable endowment:						
Diocesan Stipends Fund	14,324	-	(100)	(267)	551	14,508
Diocesan Stipends Fund revaluation reserve	5,988	-	-	309	(175)	6,122
Parsonage houses fund	7,477	2	-	135	-	7,614
Parsonages houses fund revaluation reserve	38,132	-	-	(745)	285	37,672
Schools funds	768	-	-	-	-	768
Schools funds revaln reserve	775	-	-	-	98	873
	67,464	2	(100)	(568)	759	67,557
Permanent endowment:						
Ordination trusts	23	-	-	-	2	25
Parish trusts	451	-	-	-	24	475
Stipend and pension trusts	495	-	-	-	37	532
Church building trusts	934	-	-	-	43	977
School trusts	415	-	-	-	22	437
Other trusts	200	-	-	-	17	217
	2,518	-	-	-	145	2,663
	69,982	2	(100)	(568)	904	70,220

Included in permanent endowment balances are revaluation reserves of £1.42m (2013 £1.28m).

Charity

Charity	At 1 January 2014 £000	Incoming resources £000	Expenditure £000	Transfers £000	Revaluations & investment sales £000	At 31 December 2014 £000
Expendable endowment:						
Diocesan Stipends Fund	15,248	-	(100)	(12)	551	15,687
Diocesan Stipends Fund revaluation reserve	4,994	-	-	309	(375)	4,928
Parsonage houses fund	7,477	2	-	135	-	7,614
Parsonages houses fund revaluation reserve	38,132	-	-	(745)	285	37,672
Schools funds	768	-	-	-	-	768
Schools funds revaln reserve	775	-	-	-	98	873
	67,394	2	(100)	(313)	559	67,542
Permanent endowment:						
Ordination trusts	23	-	-	-	2	25
Parish trusts	451	-	-	-	24	475
Stipend and pension trusts	495	-	-	-	37	532
Church building trusts	934	-	-	-	43	977
School trusts	415	-	-	-	22	437
Other trusts	200	-	-	-	17	217
	2,518	-	-	-	145	2,663
	69,912	2	(100)	(313)	704	70,205

Included in permanent endowment balances are revaluation reserves of £1.42m (2013 £1.28m).

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Fund	Application /purpose
Diocesan Pastoral Account	
Restricted Income	<p>These funds arise from provision of the Mission and Pastoral Measure 2011 and any other money as directed by the Bishop and Diocesan Board of Finance. The funds can be used for the following:</p> <ul style="list-style-type: none"> • Costs incurred for the purpose of the Measure or any scheme or order, excepting any salaries or wages. • 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 monies surplus to the above to any other fund of the board.
Schools fund	
Restricted Income	<p>Subject to Section 17 of the Education Act 1993 the funds can be used for:</p> <ul style="list-style-type: none"> • The purchase, construction, maintenance and improvement of any school or teacher's house in the relevant area • The provision of advice, guidance and resources for the management of schools in the area • Inspection of relevant schools in the area
Expendable endowment	<p>This fund is comprised of the sale proceeds of redundant Church of England school premises, teachers' houses and associated endowments which have been vested in the Board of Finance by Orders under the Education Act 1994 and 1973.</p> <p>The use of the fund is restricted under Section 17 of the Education Act 1993.</p>
Restricted Income	<p>Sundry receipts for specific purposes of the Board of Finance and Diocesan activities.</p>
Trusts	
Ordination trust	To defray general and specific costs of ordinands' training and expenses.
Overseas trusts	To assist with mission in Rwanda and the Diocese of Kagera.
Parish trusts	To defray various costs in specific parishes. These are included in the diocesan accounts as the Board of Finance is the trustee responsible for the management of the assets in addition to being the custodian trustee.
Stipends and pension trusts	For the augmentation of particular benefices and stipends in general.
Church building trusts	For the maintenance of churches in the Diocese.
Schools trusts	For the use of specific schools as directed by those school governors.
Other trusts	Sundry trusts for various purposes of the Board of Finance and diocesan mission.
Diocesan Stipends Fund	
Restricted Income	<p>Subject to any charges imposed by the Scheme or Order the fund shall be applied to:</p> <ul style="list-style-type: none"> • Provide or augment stipends of incumbents, assistant curates and others engaged in the cure of souls in the Diocese • Meet expenses incurred in repairing and maintaining parsonage houses • Paying secondary class 1 contributions in respect of ministers not employed under a contract of service • Defray sequestrators' expenses <p>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</p>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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 2009.

Permanent Endowment

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

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

- Acquiring glebe property
- Investing in a subsidiary
- Developing and protecting glebe amenities
- Investments
- Discharging loans and levies on glebe
- Improving parsonage houses
- Discharging any loans made by the Church Commissioners under the Endowment and Glebe Measure 1976

Parsonage Houses Fund Expendable Endowment

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

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

25 Pensions Fund

Defined Benefit Scheme – Church Workers

The St Edmundsbury & Ipswich Diocesan Board of Finance participates in the Church of England Defined Benefits Scheme (DBS), part of the Church Workers Pension Fund. During the year to 31st December 2014, the Employer made contributions of £279,000 and this has been taken as the pension cost shown in these accounts, as explained below.

It is not possible for an individual employer to determine its share of the underlying assets and liabilities as each employer, through the Life Risk Pool, is exposed to actuarial risks associated with the current and former employees of other entities participating in the DBS. In such cases, FRS 17 requires the employer to account for its contributions to the DBS as if it were a defined contribution scheme but to make certain additional disclosures based on available information. The required disclosures, together with a description of the operation of the DBS, are given below.

For funding purposes, the DBS is divided into sub-pools in respect of each participating employer as well as a further sub-pool, known as the Life Risk Pool. The Life Risk Pool exists to share certain risks between employers, including those relating to mortality and post-retirement investment returns.

The division of the Scheme into sub-pools is notional and is for the purpose of calculating ongoing contributions. They do not alter the fact that the assets of the Scheme are held as a single trust fund out of which all the benefits are to be provided. From time to time, a notional premium is transferred from employers' sub-pools to the Life Risk Pool and all pensions and death benefits are paid from the Life Risk Pool.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

If following an actuarial valuation of the Life Risk Pool there is a surplus or deficit in the pool and the Actuary so recommends, further transfers may be made from the Life Risk Pool to the employers' sub-pools, or vice versa. The amounts to be transferred (and their allocation between the sub-pools) will be settled by the Church of England Pensions Board on the advice of the Actuary.

A valuation of the DBS is carried out once every three years. In the 31 December 2010 valuation, the Life Risk Section was shown to be in deficit by £6.7m and some £5.5m was notionally transferred from the employers' sub-pools to the Life Risk Pool. Of this, £56,800 was deducted from the Employer sub-pool. This increased the employer's contributions that would otherwise have been payable. The St Edmundsbury & Ipswich Diocesan Board of Finance's contribution rate was revised to 31.8% pa of pensionable salaries and an additional contribution in respect of the shortfall in the Employer sub-pool of £502,600 was paid in 2011. Other available information relating to the valuation as at 31st December 2010 is given below:

Market value of DBS	£200.7m
Market value of Employer sub-pool	£2.2m
Market value of Life Risk Pool (1,140 pensioners)	£97.4m

	Total Scheme members	Employer members
Deferred pensioners	1,725	21
Active members	626	31

The next valuation of the DBS was carried out as at 31st December 2013 but, as at February 2015, resulting contributions have yet to be formally agreed.

Defined Benefit Scheme – Clergy

The participates in the Church of England Funded Pensions Scheme and employs 127 members of the Scheme out of a total membership of approximately 8,400 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but the St Edmundsbury & 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 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 & Ipswich Diocesan Board of Finance to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2012 valuation, the St Edmundsbury & 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 as at 31 December 2015.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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
Fixed assets				
Tangible assets	2,971	-	60,412	63,383
Investments	1,333	539	7,596	9,468
	4,304	539	68,008	72,851
Current assets				
Debtors	465	436	25	926
Investments	8	1,424	1,657	3,089
Cash at bank and in hand	1,232	707	254	2,193
	1,705	2,567	1,936	6,208
Creditors < 1 year	(232)	(289)	(32)	(553)
Net current assets	1,473	2,278	1,904	5,655
Total assets less current liabilities	5,777	2,817	69,912	78,506
Amounts due (to)/from other funds	(206)	(102)	308	-
Total net assets	5,571	2,715	70,220	78,506

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 2014 the market value of these trust investments was £2.6m (2013 £2.9m). The trustees are also custodian trustees in relation to PCC property.

The company also holds various devolved formula capital balances on behalf of church schools. These funds are used for capital projects with which the Board of Education assists. The funds remain under the control of the school concerned and are not included in these accounts. At 31 December 2014 the total funds held on deposit were £0.3m (2013 £0.4m).

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

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

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.

	2014 £000	2013 £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
- Centenary 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 where the trustee can not be held to control the transacting organisation

Transactions identified other than those described above include:

Trustee	Relationship and Related Party	Transaction
Canon N P Edgell	Diocesan Secretary	£0 (2013 £400 paid to Churchgates 2000 Limited for catering services.)
The Revd A J Redman	Partner in Whitworth & Co	£13,058 (2013 £19,968) paid from Board Trusts for quinquennial inspections.
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)	£0 (2013 £46,034 received by the DBF in grant aid from Allchurches Trust up to the 20 th October).
The Rt Revd Dr D Thomson Acting Bishop of St Edmundsbury & Ipswich	Trustee of the Bishop's Trust Fund	£3,508 (2013 £3,440) grant from Board Trusts paid to the Bishop's Trust Fund.
	Bishop of St Edmundsbury & Ipswich	£7,000 (2013 £7,000) received by the DBF for computer services.

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

The Very Revd Dr F Ward	Trustee of the Cathedral	Paid to the Cathedral by the DBF: £12,000 (2013 £11,113) grant and £23,000 (2013 £0) for centenary services; £0 (2013 £12,266) for property rent and costs.
Canon G F Woodward	Director of EWS Chartered Surveyors.	£1,200 (2013 £1,037) rental agency fees paid by CG 2000 Ltd. £39,360 (2013 £28,096) paid by the DBF for advice on property matters.

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

Trustee	Relationship and Related Party	2014 £	2013 £
Canon N P Edgell	Diocesan Secretary	-	517
The Ven Dr D H Jenkins	Expenses	(286)	-
The Revd A J Redman	Partner in Whitworth & Co	(2,725)	-
The Rt Revd Dr D Thomson	Bishop's Office	219	1,469
The Very Revd Dr F Ward	The Cathedral Office	1,590	2,322
Canon G F Woodward	Director of EWS Chartered Surveyors.	(14,966)	-

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 2014

	Total to date £000	Budget £000	Favourable/ (unfavourable) £000
Income			
Centenary Share	5,989	6,525	(536)
Other income received (see below)	1,439	1,319	120
Total incoming resources	7,428	7,844	(416)
Expenditure	(8,021)	(8,279)	258
Deficit compared to budget	(593)	(435)	(158)
Gain on disposal of assets	9		
Net deficit	(584)		
Property transfers	436		
Restricted funds movement	20		
Revaluations	145		
Net movement in group unrestricted funds	17		

	£000	£000	£000
Other Income Received			
Archbishops' Council	252	252	-
Other donations	177	217	(40)
House rent received	216	198	18
Investment income	186	185	1
Parochial fees	556	431	125
Other income	52	36	16
Total	1,439	1,319	120

	£000	£000	£000
Expenditure			
Costs of renting out properties	54	44	(10)
Investment management costs	28	14	(14)
Contributions to Archbishops' Council	553	553	-
	635	611	(24)
Resourcing ministry & mission:			
<i>Parochial costs</i>			
Stipends and national insurance	3,216	3,301	85
Stipends support	72	59	(13)
Pensions	1,041	1,079	38
Fees paid for non sequestration offices	50	40	(10)
Sequestration	12	7	(5)
Removals and relocations	84	80	(4)
Parsonage repairs	393	390	(3)

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	342	366	24
Property administration	120	133	13
Rural deans	11	9	(2)
Archdeacons	162	164	2
Bishops	14	12	(2)
Safeguarding	92	82	(10)
	5,609	5,722	113
<i>Ministry education & training</i>			
Ministry, education & training	203	246	43
Continuing ministerial development	41	77	36
Diocesan director of ordinands	49	79	30
Lay ministry & training	28	36	8
Readers & licensed lay ministers	3	4	1
	324	442	118
<i>Youth & children's ministry</i>			
Children's work	46	59	13
Board of Education grant	40	40	-
University chaplaincy	14	31	17
Youth work	4	20	16
	104	150	46
<i>Specialist ministry & church buildings</i>			
Communications	71	85	14
Parish resources	38	54	16
Community affairs	61	62	1
Director of mission	67	68	1
Centenary, Suffolk Show & ecumenism	58	27	(31)
Grants	17	16	(1)
World mission group	19	8	(11)
Diocesan Advisory Committee	100	99	(1)
Tourism	37	42	5
Restricted fund expenditure	20	19	(1)
	488	480	(8)
<i>Governance & administration</i>			
Secretariat	246	252	6
Registrar & chancellor	50	52	2
Audit & professional fees	29	38	9
Synod and committees	14	19	5
Office services	355	342	(13)
Accounts	167	171	4
	861	874	13
Total	8,021	8,279	258

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 2014

	2014	2013
	£	£
Incoming resources		
Interest received	3,162	2,655
Total incoming resources	3,162	2,655
Expenditure		
Parsonage house improvements	200,000	149,410
Redundant Churches	2,493	2,498
Total resources expended	202,493	151,908
Net outgoing resources before transfers	(199,331)	(149,253)
Transfers between funds		
Capital work on property	(122,788)	(117,928)
	(122,788)	(117,928)
Net movement of funds	(322,119)	(267,181)
Total funds brought forward at 1 January 2014	824,065	1,091,246
Total funds carried forward at 31 December 2014	501,946	824,065

Assets as at 31 December 2014

	2014	2013
	£	£
Current assets		
Loans	3,000	3,000
Amounts owed (to)/from other funds	(45,904)	446,669
Cash	541,058	370,604
Diocesan Pastoral Account London	3,792	3,792
	501,946	824,065

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Appendix III

Centenary Share 2014 Deanery Summary

Deanery	Parish Share £	Paid £	Balance £	Paid %
Bosmere	245,204	240,021	5,183	97.9
Clare	248,500	250,402	(1,902)	100.8
Hadleigh	277,101	276,265	836	99.7
Ixworth	269,185	220,052	49,133	81.7
Lavenham	401,462	411,978	(10,516)	102.6
Mildenhall	337,442	282,720	54,722	83.8
Stowmarket	247,220	247,294	(74)	100.0
Sudbury	426,965	356,201	70,764	83.4
Thingoe	451,915	448,176	3,739	99.2
Colneys	491,749	429,929	61,820	87.4
Hartismere	197,835	179,867	17,968	90.9
Hoxne	172,090	167,724	4,366	97.5
Ipswich	824,023	694,559	129,464	84.3
Loes	319,477	275,432	44,045	86.2
Samford	260,482	250,453	10,029	96.2
Saxmundham	339,039	321,088	17,951	94.7
Waveney & Blyth	587,215	458,825	128,390	78.1
Woodbridge	479,058	475,791	3,267	99.3
Less additional offers by deaneries and adjustments included above:	(51,488)	2,120	(53,608)	-
Total 2014	6,524,474	5,988,897	535,577	91.8
Total 2013	6,910,292	6,210,737	699,555	89.9

Amount received per accounts (Note 1 above)	5,988,987
Less late receipts 2013, 2014 & other receipts	(100)
Amount received as above	<u>5,988,897</u>

THE ST EDMUNDSBURY AND IPSWICH DIOCESAN BOARD OF FINANCE

Company Statement of Financial Activities for the Year Ended 31 December 2014

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	Total Funds 2014 £000	Total Funds 2013 £000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Parish contributions	5,989	-	-	5,989	6,261
Archbishops' Council	252	-	-	252	252
Other	146	164	-	310	414
Activities for generating funds	215	-	-	215	237
Investment income	186	205	2	393	401
Incoming resources from charitable activities :					
Statutory fees, chaplaincy and other income	602	1	-	603	556
Other incoming resources	9	-	-	9	35
Total incoming resources	7,399	370	2	7,771	8,156
Resources expended					
Costs of generating funds:					
Costs of activities for generating funds	54	-	-	54	60
Investment management costs	28	-	-	28	15
Charitable activities :					
Contributions to Archbishops' Council	554	-	-	554	553
Resourcing ministry and mission	6,458	385	-	6,843	6,965
Education	-	271	-	271	224
Governance costs	338	2	-	340	347
Support Costs	522	-	-	522	484
Other resources expended	-	-	100	100	44
Total resources expended	7,954	658	100	8,712	8,692
Net outgoing/incoming resources before transfers	(555)	(288)	(98)	(941)	(536)
Gross transfers between funds	427	(114)	(313)	-	-
Net outgoing resources before other recognised gains and losses	(128)	(402)	(411)	(941)	(536)
Other recognised gains and losses:					
Gains on revaluation of fixed assets for charity's own use	28	-	328	356	540
(Losses)/Gains on investment assets realised	-	-	74	74	53
(Losses)/gains on investment assets unrealised	117	16	302	435	756
Net movement in funds	17	(386)	293	(76)	813
Reconciliation of funds:					
Total funds at 1 January 2014	5,554	3,101	69,912	78,567	77,754
Total funds at 31 December 2014	5,571	2,715	70,205	78,491	78,567