

**COVENTRY DIOCESAN BOARD  
OF FINANCE LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
for the year ended 31 December 2015**

**Company Registered Number: 319482  
Registered Charity Number: 247828**

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2015

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### Coventry Diocesan Board of Finance Limited: serving the Diocese of Coventry

The Diocese of Coventry is one of 42 dioceses in the Church of England. Re-founded in 1918 but with a history dating back to 658, the diocese has an overall population of approximately 820,000 and covers an area of just under 700 square miles, covering Coventry, most of Warwickshire and a small part of Solihull. The diocese is sub-divided into 11 areas called deaneries and, overall, includes 199 parishes. Some parishes have more than one church - the diocese has 239 churches open for public worship. The diocese has one Cathedral – The Cathedral Church of St Michael, Coventry.

Each diocese is led by a Diocesan Bishop. The Right Reverend Doctor Christopher Cocksworth became Bishop of Coventry in 2008. Shortly after his installation he re-affirmed the diocesan mission as one of worshipping God, making new disciples and transforming communities. The diocesan strategy to achieve this is by focussing on eight qualities essential for healthy growing churches: empowering leadership; gift-orientated ministry; passionate spirituality; inspiring worship; holistic small groups; need-orientated outreach; loving relationships; and functional structures.

The Coventry Diocesan Board of Finance Limited (“the DBF”) was established under the Diocesan Boards of Finance Measure 1925 and is both a company limited by guarantee and a registered charity. Its main role is the payment of stipends and fees and the provision of housing for diocesan clergy; clergy and lay training and other services in support of mission and ministry which are suited to being provided centrally within the diocese; and the administration and payment of grants from funds held centrally within the diocese.

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# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## CHAIR'S REPORT

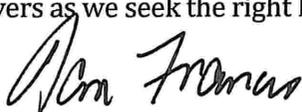
for the year ended 31 December 2015

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I am sure that 2015 will be remembered in this diocese as the year when the diocese, united in its commitment to its mission purpose of worshipping God, making new disciples and transforming communities and the strategy to achieve this by focussing on the eight quality characteristics essential for healthy growing churches, was successful in its bid to the Church Commissioners for £639,000 of funding for what we have called the 'Acceler8' project. This is a five year project aimed at speeding up the growth of churches across the diocese by improving their health in the eight quality characteristics essential for healthy growing churches and by relating these quality characteristics to mission and ministry with the 20s and 30s age range. The project is well under way and I hope it will fuel growth across the diocese.

2015 was also a very good year for parish share. It was in May 2010 that Diocesan Synod adopted a new parish share system. Whilst implementation issues were being faced and dealt with, the collection rate never dropped below 97%, and in 2015 the rate increased to just over 99%. Whilst the raising of parish share will never be easy, the diocese has done well to get to this point and this is a testament to a good system, much hard work by all those involved, and good and trusting relationships within the diocese.

As usual, I would like to pay tribute to all those across the diocese, clergy and lay, paid and unpaid, whose commitment and sacrifice in the last year has led us to where we are now. One person I would like to pay particular tribute to this year is Canon Simon Lloyd, who joined us as Diocesan Secretary in June 2005 and after nearly eleven years has moved on to be the Provincial Secretary for the Church in Wales. Simon has provided great energy and insight to the role, making many very positive changes, building good relationships across the diocesan family and running a well organised team in the diocesan office. We wish Simon well in his new role and ask for your prayers as we seek the right Diocesan Secretary to join us for the next part of our exciting journey.



**Canon Ian E Francis**

Chair of Coventry Diocesan Board of Finance Limited

16 May 2016

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015

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Company Registered Number: 319482  
Registered Charity Number: 247828

The trustees, who are also directors for the purposes of company law, present their combined Trustees' Report and Directors' Report, together with the audited financial statements, for the year ended 31 December 2015. The Trustees' and Directors' Report is presented in sections as follows:

Section 1: Strategic Report - which includes a review of achievements and performance in the year

Section 2: Governance Report

Section 3: Trustees' and Directors' Report Approval

## SECTION 1: STRATEGIC REPORT

### 1.1 OBJECTIVES AND ACTIVITIES

Coventry Diocesan Board of Finance Limited ("the DBF") aims to promote, facilitate and assist with the work and purposes of the Church of England for the advancement of the Christian faith in the Diocese of Coventry and elsewhere.

The main activities of the DBF in support of its aims are as follows:

- payment of stipends and fees and the provision of housing for clergy in the diocese;
- clergy and lay training delivered by the Diocesan Training Partnership;
- various services in support of mission and ministry which are suited to being provided centrally within the diocese, including: support with diocesan governance, the development of healthy churches and transforming communities; the provision of development leaders focussing on mission to the 20s and 30s age range; support for the Archdeacons, the Coventry Diocesan Board of Education and Coventry Cathedral; safeguarding advice and training; advice to parishes seeking permission for changes to their church buildings; communications advice; provision of office space to the Coventry diocesan branch of the Mothers' Union; and maintenance of Offa House, the former diocesan retreat house;
- administration and payment of grants - details of the grants awarded are given in note 8 to the financial statements. The DBF's policy is to pay grants from funds available to: parishes and other diocesan organisations; the linked dioceses of Kaduna (in Nigeria) and Jerusalem (of the Syrian Orthodox Church); and the Archbishops' Council by way of an annual grant. The grant to the Archbishops' Council includes a contribution to the Council's own administration costs, the central cost of training potential future ministers ("ordinands") and the cost of providing retirement housing for clergy under the Church's Housing Assistance for the Retired Ministry ("CHARM") scheme.

To fund these activities, the DBF raises most of its income by advising its funding need to Deaneries ("the Deanery Share"), which Deaneries in turn allocate to parishes ("the Parish Share"). The DBF also receives some investment and other income. The DBF seeks to maintain sound finances in order to be able to support mission and ministry in the diocese both in the short and in the long term.

The Diocesan Secretary and the Chair of the DBF consult regularly with colleagues from other dioceses and are themselves consulted on matters of national Church of England policy by the national church institutions such as the Archbishops' Council, the Church Commissioners and the Pensions Board.

#### Public benefit

The trustees are confident that by promoting the work of the Church of England in the Diocese of Coventry the DBF helps to promote the whole mission of the Church of England - pastoral, evangelistic, social, and ecumenical - 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.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the DBF's aims and objectives and in planning future activities.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015 (continued)

#### 1.2 PRINCIPAL RISKS

The major risks and uncertainties which have been identified by the DBF's trustees and staff are shown in the table below, together with mitigating actions taken.

Risk	Mitigation
Under-collection of parish share	The Deanery Share system for allocating the parish share and the collection of parish share are kept under regular review by the Diocesan Finance Group.
Under-funding of the defined benefit Church of England clergy pension scheme leading to an unaffordable rise in contributions	The funding of the Church of England clergy pension scheme and any changes in contribution levels required are kept under review primarily by the Church of England Pensions Board, but also by the trustees and other Church of England bodies.
A serious safeguarding failure with respect to a child or a vulnerable adult.	The DBF employs a full time Diocesan Safeguarding Adviser who reports to the Diocesan Secretary and issues guidelines, conducts training and is available to deal with any matters arising.

Parish share and the Church of England clergy pension scheme are also referred to in other sections of this report and in the notes to the financial statements.

#### 1.3 ACHIEVEMENTS AND PERFORMANCE

During the year, the DBF continued to support the Diocese of Coventry through its range of activities described in section 1.1. The DBF's activities were boosted and added to in the year by the award by the Church Commissioners of £639,143 of grant funding for the 'Acceler8' project. This is a five year project aimed at speeding up the growth of churches across the diocese by improving their health in the eight quality characteristics identified as essential for healthy growing churches by the Institute for Natural Church Development ("NCD"), and by intentionally relating these quality characteristics to mission and ministry with the 20s and 30s age range.

##### **Development of the eight quality characteristics essential for healthy growing churches**

There was a steady increase in the number of parishes who have engaged in the diocesan process for developing the eight quality characteristics essential for healthy growing churches, supported by the DBF. At the start of the year this support was comprised of a Healthy Churches Development Mentor, appointed to this new post in March 2013, and NCD resources. Following the award of the Acceler8 grant from the Church Commissioners during 2015, two half-time Healthy Church Mentors were added to form a mentoring team to support all churches across the diocese engaged in the process.

In last year's report, plans reported for 2015 included: 'Support a significant increase in the proportion of parishes actively engaged in the diocesan process for developing the eight quality characteristics identified as essential for healthy growing churches'. At the time of reporting to Bishop's Council in March 2016, there were in excess of 75% of parishes engaged with the process including the Cathedral – an increase from around 40% eighteen months earlier. Other parishes not yet engaged are being gently encouraged to consider doing so by members of a healthy churches mentoring team. Around 25% of parishes involved have now completed a second survey of their strengths and weaknesses, and a few are on their third. The range of parishes involved is comprehensive - from small rural communities through to large city churches, evangelical to liberal catholic. Positive experiences have been reported across the board.

The aim is to grow in quality across the diocese, with the hope and expectation, supported by NCD statistics, that this will lead to numerical growth. Whilst churches have seen significant increases in quality, it is as yet too early to comment on numerical growth, which NCD statistics suggest should tend to occur after the third cycle of survey improvement.

##### **Focus on the 20s and 30s age range**

The year started with a part-time 20s and 30s development worker in post to co-ordinate the Developing Church Growth in Deprived Areas ("CGDA") project, a project with Church Commissioners' funding which started in 2012 and concluded in 2015. The CGDA project had a particular focus on developing leaders from poorer churches and backgrounds in the eighteen to forty age range. With the support of this project, many new disciples have been made, many people in this age range have been given greater responsibility in their churches than they had previously and a few people in this age range entered the vocations process. The Acceler8 project is building on this and widening the emphasis on the 20s and 30s age range across the diocese.

# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)**

### **for the year ended 31 December 2015 (continued)**

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The 20s and 30s development worker, who was also one of the young leaders participating in the CGDA project, was appointed to the position of 20s and 30s Strategy Team Leader for the Acceler8 project and has led the recruitment of a team of eight 20s and 30s development leaders based in parishes across the diocese. The team meet monthly to share success stories and challenges, and much has already been learnt about how Anglican churches both attract and put off people in their 20s and 30s.

There have already been several young adults who have come to faith through the work of the Acceler8 project. The team have been discipling many people from a variety of backgrounds and have observed notable growth in passionate spirituality. Other early successes include a significant increase in young adults attending one church, the formation of a new 20s and 30s group at another church and development leaders supporting young adults through and after Alpha courses.

#### **Achievements against other plans for 2015 reported in last year's Trustees' and Directors' report**

##### ***Deanery Shares***

For 2014, there were three deaneries which had under-allocated the Deanery Share to parishes, amounting to £57,000 in total, and the overall collection rate was 97% of the total allocation. The plan reported for 2015 was to continue work with the Deaneries towards full allocation and payment of the Deanery Shares as determined under the Deanery Share system. For 2015, there was an under-allocation by two deaneries and the total amount under-allocated was reduced to £9,000. For 2015, the collection rate increased to 99%. See page 5 for further details.

##### ***Investment Strategy***

The plan reported for 2015 was to review the DBF's investment strategy and how a Total Return approach to investments could be adopted in 2016 with a view to increasing funds available to support growth. During 2015, the Investment Sub-Committee has reviewed how the Total Return approach to investments could be adopted and is considering further the benefits and how best to adopt the approach.

##### ***A regeneration project***

The plan reported for 2015 was to explore a major regeneration project in partnership with a locally based construction company. This is for one of the more deprived areas in Coventry. During 2015, regeneration plans have been explored with the locally based construction company and with local councillors, and a future scheme has been prepared for the parishes affected.

##### ***Offa House***

Offa House was the diocesan retreat house until it closed in 2013. As reported in last year's report, in 2014 the House was partially re-opened, with a cycle of daily prayer established and a series of quiet days starting. Towards the end of 2015, the DBF started working with local councils and other charities on a proposal to use Offa House for a four to five year period for short term welcome accommodation for Syrian refugees, whilst the longer term vision for the House is determined. Whilst no contract has yet been placed for the use of the House for refugees, the work on the proposal has led to a very clear understanding of the works and finance required to put the House back into use and has revealed the very positive desires of many in the Offchurch village and across the diocese as a whole to work together to assist Syrian refugees.

#### **Summary of financial performance**

The 2015 operating surplus was £99,000 (2014: £186,000), which is reported as the General Fund net income before investment gains in the Statement of Financial Activities. After net gains on investments and transfers to other funds mainly relating to the purchase and sale of properties, the movement in the General Fund in the year was an outflow of £450,000 (2014: an inflow of £90,000). If two house sales completed in January 2016 for net proceeds of £596,000 had been completed in 2015, the movement in the General Fund in the year would have been an inflow of £146,000.

Designated Funds, excluding the Operational Properties Fund, decreased by £112,000 (2014: increased by £84,000), mostly due to the award of mission and fabric grants. The Operational Properties fund increased by £1,128,000 primarily due to the transfer into that fund of DBF houses purchased.

Restricted Funds increased by £1,135,000 (2014: decreased by £403,000), principally due to the receipt of proceeds from the sale of parsonages and a grant towards the Acceler8 project awarded by the Church Commissioners.

The result for the year is shown in full in the Statement of Financial Activities on page 13.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015 (continued)

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#### Principal funding sources

58% of total incoming resources before the surplus on the sale of assets in 2015 came from Parish Share (2014: 62%), 17% (2014: 19%) from investment income and 25% (2014: 19%) from other sources. Other sources of income include: parochial fees from weddings and funerals; rental income from the letting of houses to tenants whilst not occupied by clergy; restricted income received from The King Henry VIII Endowed Trust, Warwick used to meet the costs of stipends, pensions and housing costs for clergy in the Warwick area; and various other grants and donations.

#### Parish Share

Total parish share income received was £4,958,000, which was £186,000 more than in 2014. This includes amounts relating to parish share allocated for previous years but excluding amounts received after the 31 January cut-off date and was 99% of the allocation (2014: 97%).

Total parish share receipts in relation to the 2015 allocation, i.e. excluding amounts relating to allocations for previous years, were £4,917,000, 98% of the allocation (2014: £4,736,000, 96% of the allocation). The commitment of parishes to paying the parish share allocated by the Deaneries is very high. A number of allocation matters which have now been addressed were the main contributor to the receipts increasing to 99% in the year.

The total parish share allocated to the deaneries for 2015 was £4,993,000 (2014: £4,914,000). The allocation was determined in accordance with the Deanery Share System as approved by Diocesan Synod in May 2010, and is calculated by reference to the budgeted cost of parochial ministry posts (including training costs) and any surplus for mission agreed annually by deanery representatives. Details of the Deanery Share system are published on the diocesan website at [www.dioceseofcoventry.org/deaneryshare](http://www.dioceseofcoventry.org/deaneryshare). The share allocated was based on 101 stipendiary parochial ministry posts (2014: 100) and 113 houses (2014: 111) allocated to parochial ministry.

#### Investment income

Investment income increased by 4.1% to £1,490,000 (2014: £1,431,000). After allowing for Glebe management fees and other Glebe operating costs, net investment income was £1,265,000 (2014: £1,236,000). This was an increase of 2.3%, an above-inflation increase, with CPI inflation in 2015 being 0.2%.

Net investment income from Glebe investment properties was £942,000 (2014: £971,000). This reduction of £29,000 was primarily due to repair costs in 2014 being very low. Other investment income in 2015 increased to £323,000 from £265,000 in 2014 mainly due to a change in the timing of dividends from CCLA funds and an increase in amounts invested shortly before the end of the year.

Income yields<sup>1</sup> in the year for investment funds in which the DBF is invested were as follows:

- CCLA's CBF Church of England Investment Fund: 3.8% (2014: 3.9%)
- CCLA's CBF Church of England Global Equity Income Fund: 4.5% (2014: 4.4%)
- Ecclesiastical's Amity Balanced Fund for Charities: 5.6% (2014: 5.1%)

#### Investment objectives and investments held

The DBF's investment objective with respect to amounts available for investment is to safeguard capital values in real terms over the long term and to provide real growth in net income, whilst complying with the Church of England Ethical Investment Policy.

Investments are principally held in Glebe properties and in investment funds which are compliant with the Church of England Ethical Investment Policy. Glebe investment properties are comprised of agricultural, commercial and residential land and buildings. The investment funds are managed by CCLA Investment Management Limited and Ecclesiastical Investment Management Ltd and are diversified funds for charities, invested mainly in equities but also in fixed interest securities, property and other assets.

The total value of investments at 31 December 2015 was £46.6 million (2014: £33.9 million), of which £45.1 million was permanent endowment. Shortly before the end of the year, £6.4 million was invested in the CCLA CBF Church of England Investment Fund following the sale of land at Coventry Road, Southam.

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<sup>1</sup> Income yields calculated using dividends per share and the average of the year's opening and closing market values of a share.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015 (continued)

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#### **Stipendiary clergy headcount**

The full time equivalent ("FTE") number of office holders in the Diocese who were stipendiary clergy or licensed lay workers in 2015 was 109 (2014: 112).

#### **Pension schemes**

All stipendiary clergy in the Diocese, some clergy employed in central diocesan posts and some licensed lay workers are members of the defined benefit Church of England clergy pension scheme. The contribution for this scheme in the year was £9,048 (2014: £8,492) per full time stipendiary clergy member. If not members of the clergy pension scheme, the DBF's permanent staff are enrolled in the Pension Builder Classic section of the Church Workers Pension Fund. Further details are provided in note 2 to the Financial Statements. DBF staff who are employed on temporary or short term contracts, who have qualifying earnings or the right to opt in, are enrolled in the National Employment Savings Trust ("NEST" - the workplace pension scheme set up by government).

#### **Reserves policy and the General Fund position at the year end**

The objective of the DBF's reserves policy is to ensure adequate working capital resources. The policy is for the General Fund at each year end to be within a range equivalent to between two and a half and three and a half months' worth of the maximum sum approved to be spent from operating funds<sup>2</sup> by Diocesan Synod for the ensuing year. The policy and expected compliance with it has been kept under review during the year.

Diocesan Synod approved a maximum sum to be spent from operating funds in 2016 of £8,256,000. The balance on the General Fund at 31 December 2015 was £1,557,000, which represented 2.3 months' worth of maximum approved spend from operating funds in 2016 and was therefore below the policy range. This was due to the purchase of a house from operating funds prior to the sale of two other houses to finance the purchase. The sale of these two other houses completed in January 2016 for net proceeds of £596,000. Adjusted for these sales, reserves at 31 December 2015 would have been £2,153,000, which would have represented 3.1 months' worth.

#### **Self-supporting ministry and volunteers**

The activities in the Church of England across the Diocese of Coventry depend hugely on significant amounts of time contributed by self-supporting ministers and volunteers. The value of this time, to the diocese as a whole and in particular to the DBF, cannot be quantified and recognised in the financial statements of the DBF.

## **1.4 PLANS FOR THE FUTURE**

The DBF plans to continue to with its mission purpose of worshipping God, making new disciples and transforming communities and the strategy to achieve this by focussing on the eight quality characteristics essential for healthy growing churches, supported by the Acceler8 project with the full backing of Bishop's Council and Diocesan Synod.

The DBF also plans to continue to develop its main activities, as outlined in section 1.1, to better serve the diocese. In addition to maintaining the momentum of the Acceler8 project, particular challenges for 2016 include the recruitment of a new Diocesan Secretary and a significant step up in the safeguarding support provided to churches prior to an independent audit scheduled for December 2016 commissioned by the Archbishops' Council's national safeguarding team.

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<sup>2</sup> Operating funds comprise the General Fund, the Stipends Income Fund, the Warwick Clergy Stipends and Housing Fund, the Ordination Candidates' Fund and the Deanery Share Support Fund.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015 (continued)

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## SECTION 2: GOVERNANCE REPORT

### 2.1 COMPANY LEGAL STATUS

The DBF was incorporated on 12 October 1936 as a charitable company (No. 319482) limited by membership guarantees and its governing documents are the Memorandum and Articles of Association. The DBF is registered with the Charity Commission (No. 247828). The DBF has also been designated as the Parsonages Board for the Diocese of Coventry under the Repair of Benefice Buildings Measure 1972.

### 2.2 DIOCESAN SYNOD AND DBF MEMBERSHIP

The Diocese is governed in accordance with the Synodical Government Measure 1969, under which its governing body is the Diocesan Synod. Every Diocesan Synod member is a member of the DBF for company law purposes and has a personal liability limited to £1 under their guarantee as company members in the event of it being wound up.

The Diocesan Synod is made up of three Houses, and its membership at 31 December 2015 was as follows:

House of Bishops: The Bishop of Coventry (President of the Diocesan Synod) and the Bishop of Warwick

House of Clergy: 40 members, of whom seven were ex officio (the Dean of the Cathedral, two Archdeacons, the chair of the Diocesan Advisory Committee and the three diocesan clergy General Synod<sup>3</sup> members). The remainder were elected by the houses of clergy of Deanery Synods<sup>4</sup>.

House of Laity: 55 members, of whom six were ex officio (the Chancellor of the Diocese, the chairs of the Board of Finance and the Board of Education and the three diocesan lay General Synod members) and one was nominated by the Bishop of Coventry. The remainder were elected by the houses of laity of Deanery Synods.

Elected and nominated members of the Diocesan Synod hold office for a term of three years.

Diocesan Synod normally meets three times a year and its functions are 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;
- consider the annual accounts of the DBF;
- consider and approve the DBF's annual budget.

Diocesan Synod governs itself through Standing Orders, which were approved by Diocesan Synod on 19 July 2000, and amended on 14 March 2009. Through the Standing Orders, many of Diocesan Synod's responsibilities have been delegated to its Standing Committee, the Bishop's Council.

### 2.3 BISHOP'S COUNCIL AND THE TRUSTEES AND DIRECTORS OF THE DBF

The Bishop's Council is the senior committee of the Diocese. Under the Standing Orders of the Diocesan Synod its members have a number of concurrent roles. They are the members of the Standing Committee of Diocesan Synod, the trustees of the Charity for the purposes of charity law, the directors of the DBF for the purposes of company law, and the members of the Diocesan Mission and Pastoral Committee.

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<sup>3</sup> General Synod is the Church of England's 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, of Clergy and of Laity. The House of Bishops is made up of the 42 diocesan bishops, the Bishop of Dover, the Bishop to the Forces and 7 elected suffragan bishops. The Houses of Clergy and Laity are primarily comprised of members from each diocese elected by the members of deanery synods.

<sup>4</sup> A Deanery Synod is the Church of England's deliberative body at Deanery level, which is also responsible for election of members to Diocesan Synods and the General Synod, and in the Diocese of Coventry, for the allocation of Deanery Share between its constituent benefices and parishes. Its House of Clergy is mainly comprised of clergy licensed in the Deanery. Its House of Laity is mainly comprised of laity normally elected by the Annual Parochial Church Meetings of the parishes within the Deanery in the same meeting as the election of the members of their Parochial Church Councils ("PCCs")<sup>5</sup>.

<sup>5</sup> A PCC is the elected governing body of an individual parish which is normally the smallest pastoral area in the Church of England. PCCs are independent charities and their financial transactions are not included within these financial statements. Financial statements of an individual PCC can be obtained from the PCC treasurer.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015 (continued)

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As the Standing Committee of the Diocesan Synod, the Bishop's Council:

- plans the business of the Synod and circulates the agenda and supporting papers for its sessions;
- initiates proposals for action by the Synod and advises it on matters of policy;
- advises the President (the Diocesan Bishop) on any matter;
- transacts the business of the Synod when not in session;
- appoints members of committees and nominates individuals for election to committees;
- carries out such functions as the Synod may delegate to it.

As the Diocesan Mission and Pastoral Committee and in consultation with the eleven Deanery Mission and Pastoral Committees, the Bishop's Council:

- advises the Bishop of Coventry on the deployment of clergy within the Diocese;
- considers and authorises pastoral schemes.

As the Trustees and Directors of the DBF, the Bishop's Council:

- takes responsibility for the activities of the DBF, including financial accountability as set out below;
- manages funds and property held centrally in the Diocese;
- prepares an annual budget for consideration and approval by Diocesan Synod, with estimates of expenditure and the income needed to finance that expenditure;
- monitors income and expenditure against estimates in the budget approved by Diocesan Synod;
- advises the Diocesan Synod on financial aspects of its policies and on any other matters referred to it.

#### **Financial accountability responsibilities of Bishop's Council members as trustees and directors**

The trustees of the DBF, who are also the directors of the DBF for the purposes of company law, are responsible for preparing the Directors' and Trustees' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for the maintenance and integrity of the DBF's corporate and financial information included on the diocesan website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Membership of the Bishop's Council**

The membership of the Bishop's Council is comprised of a maximum of 32 members as follows:

- 8 ex officio members;
- 15 members elected by the Diocesan Synod (seven clergy and eight lay, in both cases with a minimum of two from each archdeaconry<sup>6</sup>);

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<sup>6</sup> The area of the Diocese of Coventry is legally divided into the Archdeaconry of Coventry (which includes six Deaneries) and the Archdeaconry of Warwick (which includes five Deaneries), and has two archdeacons to oversee those archdeaconries. However, the primary focus of the Diocese of Coventry archdeacons is functional, with the Archdeacon Pastor focused on pastoral matters and the Archdeacon Missioner focused on diocesan mission strategy. Both are authorised to carry out each other's legal duties so that they can apply their functional focus to the whole diocese without geographic limitations.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

for the year ended 31 December 2015 (continued)

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- up to 6 nominated members (three may be nominated by the Bishop of Coventry and one may be nominated by each of the Diocesan Advisory Committee, the Parsonages Committee and the Diocesan Board of Education);
- up to 3 members co-opted by the Bishop's Council.

The Chair of the DBF, one of the ex officio members of Bishop's Council, is nominated by the Bishop of Coventry and appointed by Diocesan Synod.

During 2015, the Bishop's Council met five times as Bishop's Council and board of trustees and directors. The term of office of the members of Bishop's Council (excluding ex officio members) lasts for three years. A new term began on 1 January 2016 and trustee induction and training took place on 8 February 2016.

During the year and as at the date of this report the members of Bishop's Council were as follows:

### **Ex officio**

<i>Bishop of Coventry (President)</i>	The Rt Revd Dr C J Cocksworth
<i>Chair of the DBF</i>	Canon I E Francis
<i>Suffragan Bishop of Warwick</i>	The Rt Revd J R A Stroyan
<i>Archdeacon Pastor</i>	The Ven J Green
<i>Archdeacon Missioner</i>	The Ven M Rodham
<i>Dean of Coventry</i>	The Very Revd J J Witcombe
<i>Chair of the House of Clergy</i>	The Revd R E Walker
<i>Chair of the House of Laity</i>	Mr G P Wright

### **Nominated**

<i>by the DAC</i>	Mr N J Allcoat	<i>from 21 January 2016</i>
<i>by the Bishop of Coventry</i>	Mrs S Hanson	<i>from 6 April 2016</i>
<i>by the Bishop of Coventry</i>	The Revd K I Massey	<i>from 1 January 2016</i>
<i>by the Bishop of Coventry</i>	The Revd Canon K R G Scott	<i>to 25 January 2015</i>
<i>by the Bishop of Coventry</i>	Miss H A Pritchard	<i>to 31 December 2015</i>
<i>by the Board of Education</i>	Dr R H Pogson	<i>to 31 December 2015</i>

### **Elected by Diocesan Synod**

	Mr C H Baker	The Revd Canon B C Clutton
	Mrs F Hawke	The Revd B Jackson
	Mr N J M Hodges	The Revd Canon Dr D A Stone
	Mr P C Rogers	The Revd Canon Dr J Tucker
	Mr D G Wigman	
<i>from 1 January 2016:</i>	Mrs K M Armbrister	The Revd S Bailey
	Mt T H Day-Pollard	The Revd N W Leggett
	Dr Y Warren	The Revd A March
<i>to 31 December 2015:</i>	Mr K Downham	The Revd C Gale
	Mr S J Margrave	The Revd C Jones
	Mrs J E Owen	The Revd P Manuel
		The Revd D Silvester

## 2.4 COMMITTEE STRUCTURE

There are a number of other Diocesan committees that, though not all sub-committees of the DBF, can influence its operations. They are:

- the Audit Committee, which considers the appointment of the auditor, the audit fee, the nature and scope of the audit, reviews the annual financial statements prior to submission to the Bishop's Council and keeps under review the systems of internal control and risk management;
- the Business Committee, which considers the content of the agendas for the Bishop's Council and the Diocesan Synod and appointments to fill non-elected vacancies on various boards and committees;
- the Conditions of Employment Group, which deals with the terms and conditions of employment, including remuneration, of all staff employed by the DBF, except the Diocesan Secretary (whose terms and conditions of employment, including remuneration, are reviewed by the Chair of the DBF and the Diocesan Bishop);
- the Diocesan Advisory Committee for the Care of Churches ("the DAC"), which advises on the repair and improvement of places of worship, their contents and churchyards, with a view to the furtherance of the

# **COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**

## **TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)**

### **for the year ended 31 December 2015 (continued)**

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Church's mission and the protection of the nation's heritage;

- the Diocesan Environment Group, which encourages the Diocese in its vocation to care for the earth;
- the Diocesan Finance Group, which monitors the finances of the DBF and advises the Bishop's Council on financial matters, in particular the application of the Deanery Share system and matters relating to the Church Fabric Fund;
- the Diocesan Mission Fund Committee, which considers matters relating to the Diocesan Mission Fund, makes recommendations to the Bishop's Council and makes decisions on grants of less than £10,000;
- the Glebe Committee, which oversees the management of Diocesan Glebe investments, under the powers laid down in a scheme under the Endowments and Glebe Measure 1976;
- the Investment Sub-Committee, which oversees investment strategy and policy;
- the Parsonages Committee, which considers policy, repairs and improvements in relation to parsonage houses, under powers laid down in a scheme under the Repair of Benefice Buildings Measure 1972.

#### **2.5 DIOCESAN SECRETARY AND STAFF**

The most recent Diocesan Secretary, Canon S J Lloyd, resigned on 30 April 2016. The position is currently vacant and an Interim Diocesan Secretary, Mr A Brookes, has been appointed. The Diocesan Secretary serves as the Secretary to Diocesan Synod and Bishop's Council and as chief executive officer and Company Secretary of the DBF. The Diocesan Secretary and his or her staff carry out the day-to-day work of the DBF. They consult regularly with the Chair of the DBF and the various diocesan committees. Although some senior staff have job titles incorporating the word 'Director' in the sense of directors of certain activities of the DBF, they are not directors of the company for the purposes of company law or trustees of the DBF as a registered charity. For staff headcount and costs, see note 11 to the financial statements.

Some staff working in the areas of IT systems and property are employed under joint working arrangements by the Leicester Diocesan Board of Finance (company registered number 227087; registered charity number 249100). These arrangements continue to be an effective method of learning from a neighbouring diocese and generating economies of scale without detriment to the service provided.

#### **2.6 RELATED PARTIES**

##### **Coventry Diocesan Trustees (Registered)**

The Coventry Diocesan Trustees (Registered), registered charity number 249165, is the Diocesan Authority under the Parochial Church Councils (Powers) Measure 1956 and the Incumbents and Churchwardens (Trusts) Measure 1964. The Trust is the custodian trustee holding property and funds on behalf of PCCs and the DBF.

##### **Coventry Diocesan Board of Education**

Coventry Diocesan Board of Education ("the DBE" – a company registered in England and Wales no. 3663851 and a registered charity no. 1091145) is a statutory body established under the Diocesan Boards of Education Measure 1991, responsible to Diocesan Synod. Its functions under this measure principally relate to the promotion or assistance in the promotion of education in the diocese, being education which is consistent with the faith and practice of the Church of England and therefore consistent with the objectives of the DBF.

#### **2.7 OTHER GOVERNANCE MATTERS**

##### **Risk management**

The trustees confirm that the major risks to which the DBF is exposed, as identified by the trustees and staff, have been reviewed and that systems and procedures to manage those and other identified risks have been established and reviewed. The trustees review the risk register at least annually and delegate to the Diocesan Secretary and his or her staff the task of ensuring that noteworthy risks to the DBF are registered, reviewed and managed. In addition, the Audit Committee reviews the risk management processes and the risk register at least annually, reports to the trustees on whether it is satisfied with its findings and makes recommendations about areas for further work. The principal risks identified are shown in Section 1.2 of this report.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## TRUSTEES' AND DIRECTORS' REPORT (including the Strategic Report)

### for the year ended 31 December 2015 (continued)

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#### Valuation of properties in the financial statements

Investment properties are stated in the balance sheet at fair value. All non-investment properties - parsonage houses, operational properties, houses for clergy held in Glebe and the diocesan offices - are freehold properties and are stated in the balance sheet at cost. In the opinion of the trustees the fair value of these non-investment properties is substantially in excess of cost, but the amount of this excess is not economically quantifiable.

#### Going concern

After making enquiries the Trustees are satisfied that the DBF has adequate resources to continue to operate as a going concern for the foreseeable future and have prepared the financial statements on that basis.

#### Auditor

The trustees 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 auditor is unaware. Each of the trustees have confirmed that they have taken all the steps that they ought to have taken as trustees and directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor. A resolution to reappoint RSM UK Audit LLP (name changed from Baker Tilly UK Audit LLP) as auditor to the company and to authorise the Board of Directors to fix the auditor's remuneration will be proposed at the Annual General Meeting.

## 2.8 REFERENCE AND ADMINISTRATIVE DETAILS

<i>Registered &amp; Principal Office</i>	Diocesan Offices, 1 Hill Top, Coventry CV1 5AB
<i>Telephone</i>	024 7652 1200
<i>Website</i>	www.dioceseofcoventry.org
<i>Company registration number</i>	319482 (England and Wales)
<i>Charity registration number</i>	247828 (England)
<i>Company Secretary</i>	Position vacant
<i>Registrar and solicitors</i>	Mrs M H Allanson, Rotherham & Co 8 & 9 The Quadrant, Coventry, CV1 2EG
<i>Auditor</i>	RSM UK Audit LLP St Philips Point, Temple Row, Birmingham, B2 5AF
<i>Bankers</i>	Bank of Scotland Pentland House, 8 Lochside Avenue, Edinburgh, EH12 9DJ
<i>Diocesan Surveyors</i>	YMD Boon Ltd York House, Fernie Road, Market Harborough, Leicestershire, LE16 7PH
<i>Glebe Agent</i>	Godfrey-Payton 25 High Street, Warwick, CV34 4BB
<i>Insurers</i>	Ecclesiastical Insurance Office plc Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<i>Investment Managers</i>	CCLA Investment Management Ltd 80 Cheapside, London, EC2V 6DZ  Ecclesiastical Investment Management Ltd Beaufort House, Brunswick Road, Gloucester, GL1 1JZ

## SECTION 3: DIRECTORS' AND TRUSTEES' REPORT APPROVAL

This Trustees' and Directors' Report, incorporating both the Strategic Report and the Governance Report, is approved by the trustees, by whose authority it is signed as below.



**Canon Ian E Francis**

Chair of Coventry Diocesan Board of Finance Limited  
16 May 2016

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## AUDITOR'S REPORT

### Independent auditor's report to the members of Coventry Diocesan Board of Finance Limited

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We have audited the financial statements of Coventry Diocesan Board of Finance for the year ended 31 December 2015 on pages 13 to 33. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's 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 statement of responsibilities of DBF members as Trustees and Directors set out on page 8, 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 Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>.

#### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2015 and of its 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 Companies Act 2006.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' and Directors' Report (including the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### 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:

- the charitable company has not kept adequate accounting records, 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.



**Paul Oxtoby (Senior Statutory Auditor)**

For and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor  
St Philips Point  
Temple Row  
Birmingham  
B2 5AF

Date: 24 May 2016

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 December 2015

	Notes	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 <sup>7</sup> Total £000s
<b>Income and endowments from:</b>							
Donations							
Parish Share	4a	4,427	-	531	-	4,958	4,772
Archbishops' Council	4b	26	-	94	-	120	114
Other donations	4c	110	3	908	-	1,021	407
Charges for charitable activities	4d	428	-	48	-	476	468
Other trading activities	4e	572	-	-	-	572	510
Investments	4f	59	7	1,424	-	1,490	1,431
Surplus on sale of assets		-	61	822	-	883	1
<b>Total</b>		<b>5,622</b>	<b>71</b>	<b>3,827</b>	<b>-</b>	<b>9,520</b>	<b>7,703</b>
<b>Expenditure on:</b>							
Raising funds							
	5a	208	-	225	-	433	385
Charitable activities							
Mission and ministry	5b	3,421	-	1,582	-	5,003	4,874
Support for mission and ministry	5c	1,265	138	115	-	1,518	1,384
Contributions to Archbishops' Council	5d	448	-	-	-	448	517
Education	5e	181	-	-	-	181	174
Other	5f	-	-	-	80	80	136
<b>Total</b>		<b>5,523</b>	<b>138</b>	<b>1,922</b>	<b>80</b>	<b>7,663</b>	<b>7,470</b>
<b>Net income/(expenditure) before Investment gains</b>							
		<b>99</b>	<b>(67)</b>	<b>1,905</b>	<b>(80)</b>	<b>1,857</b>	<b>233</b>
Net gains on investments	7	19	1	-	12,776	12,796	2,851
<b>Net income/(expenditure)</b>		<b>118</b>	<b>(66)</b>	<b>1,905</b>	<b>12,696</b>	<b>14,653</b>	<b>3,084</b>
<b>Transfers between funds</b>	19	<b>(568)</b>	<b>1,082</b>	<b>(770)</b>	<b>256</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains:</b>							
Actuarial gains on defined benefit pension scheme	2	-	-	-	106	106	166
<b>Net movement in funds</b>		<b>(450)</b>	<b>1,016</b>	<b>1,135</b>	<b>13,058</b>	<b>14,759</b>	<b>3,250</b>
<b>Reconciliation of funds</b>							
Total funds brought forward	17	2,007	7,914	768	34,974	45,663	42,413
<b>Total funds carried forward</b>	17	<b>1,557</b>	<b>8,930</b>	<b>1,903</b>	<b>48,032</b>	<b>60,422</b>	<b>45,663</b>

<sup>7</sup> For analysis of 2014 by fund see note 24

**COVENTRY DIOCESAN BOARD OF FINANCE LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 December 2015**

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	<b>2015</b>	2014
	<b>Total</b>	Total
	<b>£000s</b>	£000s
Total income	<b>9,520</b>	7,703
Total expenditure	<b>(7,583)</b>	<b>(7,334)</b>
	<b>1,937</b>	369
Net gains on investments	<b>20</b>	75
<b>Net income for the year before transfers</b>	<b>1,957</b>	444
Transfer to endowment funds	<b>(256)</b>	<b>(679)</b>
<b>Net income/(expenditure) for the year after transfers</b>	<b>1,701</b>	<b>(235)</b>

The income and expenditure account is derived from the Statement of Financial Activities with movements in endowment funds excluded to comply with company law. All income and expenditure is derived from continuing activities.

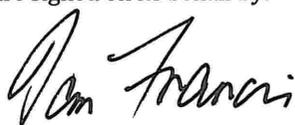
# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## BALANCE SHEET

as at 31 December 2015

	Notes	2015 £000s	2015 £000s	2014 £000s	2014 £000s
<b>FIXED ASSETS</b>					
Tangible fixed assets	12		14,344		13,329
Fixed asset investments	13		<u>46,646</u>		<u>33,935</u>
			60,990		47,264
<b>CURRENT ASSETS</b>					
Debtors	14	1,496		679	
Cash and cash equivalents		<u>2,344</u>		<u>2,455</u>	
		3,840		3,134	
<b>CURRENT LIABILITIES</b>					
Creditors: amounts falling due within one year	15	<u>(1,414)</u>		<u>(1,322)</u>	
<b>NET CURRENT ASSETS</b>					
			2,426		1,812
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>63,416</u>		<u>49,076</u>
Creditors: amounts falling due after more than one year	16		<u>(2,994)</u>		<u>(3,413)</u>
<b>NET ASSETS</b>					
			<u>60,422</u>		<u>45,663</u>
<b>FUNDS</b>					
Unrestricted funds:					
General Fund <sup>8</sup>	17		1,557		2,007
Designated funds <sup>9</sup>	17		<u>8,930</u>		<u>7,914</u>
			10,487		9,921
Restricted funds <sup>10</sup>	17		1,903		768
Endowment funds <sup>11</sup>	17		<u>48,032</u>		<u>34,974</u>
<b>TOTAL FUNDS</b>					
			<u>60,422</u>		<u>45,663</u>

The financial statements on pages 13 to 33 were approved by the Board of Directors and authorised for issue on 16 May 2016 and are signed on its behalf by:



**Canon Ian E Francis**

Chair of Coventry Diocesan Board of Finance Limited

<sup>8</sup> General Fund revaluation reserve: £232,000 (2014: £213,000)

<sup>9</sup> Designated funds revaluation reserve: £15,000 (2014: £14,000)

<sup>10</sup> Restricted funds revaluation reserve: £8,000 (2014: £8,000)

<sup>11</sup> Endowment funds revaluation reserve: £23,046,000 (2014: £16,148,000)

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## STATEMENT OF CASH FLOWS

for the year ended 31 December 2015

	2015 £000s	2015 £000s	2014 £000s	2014 £000s
<b>Cash flows from operating activities:</b>				
<i>Net cash (used in)/provided by operating activities</i>		(64)		195
<b>Cash flows from investing activities:</b>				
Proceeds from the sale of property	1,496		264	
Purchase of property	(1,628)		(641)	
Proceeds from sale of investments	6,532		503	
Purchase of investments	(6,447)		(597)	
<i>Net cash used in by investing activities</i>		(47)		(471)
<b>Change in cash and cash equivalents in the year</b>		(111)		(276)
<b>Cash and cash equivalents at 1 January</b>		2,455		2,731
<b>Cash and cash equivalents at 31 December</b>		2,344		2,455
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>				
	2015 £000s		2014 £000s	
<b>Net movement in funds for the year</b>	14,759		3,250	
<b>Adjustments for:</b>				
Gains on investments	(12,796)		(2,851)	
Profit on the sale of fixed assets	(883)		(1)	
Actuarial gains on defined benefit pension scheme	(106)		(166)	
Unwinding of the pension creditor discount	80		136	
Payment of defined benefit pension liability	(369)		(328)	
(Increase)/decrease in debtors	(817)		164	
Increase/(decrease) in creditors	68		(9)	
<b>Net cash used in operating activities</b>		(64)		195
<b>Analysis of cash and cash equivalents</b>				
	2015 £000s		2014 £000s	
Cash in hand	1,430		719	
Short term deposits (less than 3 months)	914		1,736	
<b>Total cash and cash equivalents</b>		2,344		2,455

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015

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### 1 Principal accounting policies

#### **Basis of accounting**

The DBF is a charitable company and a public benefit entity. Therefore, the financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (FRS 102), the Companies Act 2006 and the applicable UK accounting standard (FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland). The financial statements have been prepared under the historical cost convention except that fixed asset investments are included at fair value at the balance sheet date. The DBF has elected to apply in full FRS 102 sections 11 'Basic Financial Instruments' and 12 'Other Financial Instruments Issues' to all of its financial instruments.

These are the first financial statements prepared in accordance with FRS 102. (The financial statements for the year ended 31 December 2014 were prepared in accordance with previous UK GAAP.) As part of the transition to FRS 102 all of the accounting policies have been aligned with the new accounting standard and where these have resulted in a material change to the amounts, classification or presentation within the financial statements as at the date of transition for the purposes of these financial statements, 1 January 2014, then a transitional adjustment has been made (see note 23).

#### **Income**

Income is included in the Statement of Financial Activities when the charity is legally entitled to it, ultimate receipt is probable and the amount to be recognised can be quantified with reasonable accuracy.

##### ***Parish share income and income from parochial fees***

Parish share and parochial fee income for the year, or for previous years, include amounts received up to the 31 January following the year end.

##### ***Grants (receivable)***

Grant income is accounted for when the formal offer of funding is communicated in writing, any conditions related to the entitlement have been met and the amount can be measured reliably.

##### ***Investment income***

Investment income is accounted for when receivable. Investment income from Common Investment Funds managed by CCLA Investment Managers Ltd is considered receivable when dividends are declared.

##### ***Donations, legacies and similar income***

Donations and similar income are accounted for on a receivable basis. Income from legacies is recognised on an accruals basis to the extent that the DBF has been notified that there is a clear indication of the amounts involved.

##### ***Deferred income***

Income is recognised as deferred where the event or rental period to which the income relates occurs beyond the end of the financial period being reported on.

#### **Expenditure**

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate similar costs under each category of the Statement of Financial Activities.

##### ***Grants (payable)***

Grants payable, are accounted for either in full or in part, when authorised, when the award of the grant has been specifically communicated to the recipient or when paid if there is no communication to the recipient in advance, and when any condition attaching to the grant is outside the control of the DBF.

##### ***Support costs***

These costs consist of indirect staff costs, office and IT costs and governance costs. They are allocated to categories of expenditure on the basis of the proportion of staff time spent on each area of activity.

The costs allocated to governance costs are those costs incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

##### ***Operating leases***

Payments under operating leases are charged against income as incurred.

#### **Investment gains and losses**

Realised gains or losses are recognised in the Statement of Financial Activities when investments are sold. Unrealised gains or losses are accounted for on revaluation of investments at the year end.

#### **Tangible fixed assets**

##### ***Parsonage houses, Glebe houses, operational properties and the diocesan offices***

Parsonage houses, Glebe houses for clergy, operational properties and the diocesan offices are held at cost or estimated cost. Where the original cost of parsonages is not readily available the original cost has been estimated using the Nationwide Index. The cost of extensions which enhance the capital value of buildings is capitalised.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

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### Principal accounting policies (continued)

For parsonage houses, the legal title and right to beneficial occupation are vested in the incumbent, whereas the DBF is responsible for the maintenance and repair of such properties and can determine their subsequent use or sale. FRS 102 requires accounting treatments to follow the substance of arrangements rather than their strict legal form. Accordingly, parsonage houses are capitalised as tangible fixed assets.

Glebe houses are classified as tangible fixed assets and identified separately in the notes to the financial statements where houses for occupation by clergy have been purchased or appropriated from other funds using the Stipends Glebe Fund.

Operational properties are houses owned by the DBF for occupation by stipendiary clergy and House for Duty priests.

The Diocesan Offices are at 7 Priory Row, Coventry (which shares the postal address of 1 Hill Top, Coventry, CV1 5AB).

#### **Depreciation**

Depreciation is not provided on buildings as any annual or accumulated depreciation would not be material. This is due to the long estimated remaining useful economic lives and because the estimated residual values are not materially less than their carrying values and the buildings are unlikely to suffer from obsolescence. Disposals of buildings occur well before the end of their economic lives and disposal proceeds are usually not less than their carrying values. The DBF has a policy of regular inspection, repair and maintenance of buildings, charges for which are included in resources expended in the Statement of Financial Activities.

Depreciation of non-property fixed assets is charged by equal annual instalments at rates estimated to write off their cost or valuation less any residual value over the expected useful lives that are as follows:

IT & Telecommunications Equipment	3 years
Office Furniture and Fittings	5 years

Individual items of office equipment and furniture with a purchase price of £5,000 or less are written off in the year in which the assets are acquired.

### Financial instruments

#### **Fixed asset investments**

Land and buildings held under the Endowments and Glebe Measure 1976 ("Glebe properties"), other than Glebe houses classified as tangible fixed assets (see above), are included at fair value. Glebe properties are comprised of commercial properties and agricultural properties. Agricultural properties are predominantly land but include some agricultural buildings and residential properties.

Unlisted shares in investment funds are included at fair value at the balance sheet date.

#### **Current assets and liabilities**

Debtors are measured at the transaction price less any impairment losses. Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay out resources. Creditors are measured at the transaction price less any amounts settled. For pension liabilities, see note 2. Public benefit entity concessionary loans are measured at the amounts receivable and payable.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash at bank and in hand and short term deposits with any qualifying institution repayable on demand without more than seven days' notice or penalty.

**Pension schemes** – see note 2

### Fund accounting

The General Fund is an unrestricted income fund which receives incoming resources available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted income funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes below.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The aim and use of each restricted fund is set out in the notes below.

Endowment funds are funds held on trust to be retained for the charity as capital funds. Where the whole of the fund must be permanently maintained it is known as permanent endowment. Where there is a power of discretion to convert endowed funds into income, the fund is classed as expendable endowment.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

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### 2 Pension schemes

The DBF participates in three pension schemes administered by the Church of England Pensions Board, which holds the assets of the schemes separately from those of the DBF and the other participating employers. One of these is the Church of England Funded Pensions Scheme for stipendiary clergy. The other two are for lay staff and are separate sections of the Church Workers Pension Fund – one a final salary scheme and the other a deferred annuity scheme. All three of these schemes are multi-employer defined benefit pension schemes for which the DBF is unable to identify its share of the underlying assets and liabilities as each employer is exposed to actuarial risks associated with the current and former employees of other entities participating in the scheme. A valuation of each scheme, to determine future contribution levels, is carried out once every three years and the resulting report and recovery plan for any deficit is required to be completed within fifteen months of the valuation date.

#### Accounting policy

Where the scheme is in deficit and the DBF is required to make deficit recovery contributions, this obligation is recognised as a liability within creditors in the Balance Sheet. The amount recognised is the sum of the deficit recovery contributions payable, discounted to the net present value. The unwinding of the discount in each year, together with contributions required by the Pensions Board for the benefit in relation to pensionable service in the year, is recognised within expenditure in the Statement of Financial Activities. Changes in the pension liability due to changes in the discount rate used and due to inaccuracies and changes in the actuarial assumptions made by the Pensions Board are recognised as actuarial gains or losses in the Statement of Financial Activities.

The liability and movements in the liability are allocated to the Stipends Glebe Fund, an endowment fund held for investment return for the benefit of the Stipends Income Fund which is expected to be sufficient to cover the DBF's future deficit recovery contributions. Deficit recovery contributions actually paid in the year are transferred from the Stipends Income Fund to the Stipends Glebe Fund.

#### Church of England Funded Pensions Scheme

With effect from 1 January 1998, diocesan clergy became members of the new Church of England Funded Pensions Scheme. To enable this the DBF participates in this scheme and at 31 December 2015 was paying contributions for 116 members (2014: 116 members) out of a total active membership of approximately 8,400 clergy. The scheme provides benefits based on members' final pensionable stipends and provides for that part of the benefit that relates to pensionable service after 1 January 1998. Pensionable stipends are currently the National Minimum Stipend in the preceding year. Benefits are currently being accrued on the basis of half of the pensionable stipend being paid as the normal pension on reaching the age of 68, or 1.25 times this amount for archdeacons, plus a lump sum normally three times the pension payable from the scheme. Pensions in respect of pensionable service before 1 January 1998 are provided by the Church Commissioners under the previous arrangements. Each participating entity in the scheme pays contributions at a common contribution rate applied to pensionable stipends, which are currently the same as the National Minimum Stipend.

The most recent scheme valuation completed was carried out at as 31 December 2012. This revealed a deficit of £293 million, based on assets of £896 million and a funding target of £1,189 million, 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 two thirds by 31 December 2029, with the balance in return-seeking assets; and
  - a 100% allocation to return-seeking assets for investments backing liabilities prior to retirement;
- Investment returns of 3.2% p.a. on gilts and 5.2% p.a. on equities;
- RPI inflation of 3.2% p.a. (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% p.a.;
- Post-retirement mortality in accordance with 80% of the S1NFA and S1NMA tables, with allowance for future 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 females and males. By way of illustration, the assumption for members aged 65 at 31 December 2012 is a remaining life of 26.9 years for females and 24.3 years for males.

Following the valuation of the scheme as at 31 December 2012, the contribution rate increased on 1 January 2015 from 38.2% to 39.9% of pensionable stipends, of which 25.8% relates to providing the benefit in relation to ongoing pensionable service, including 1.2% for the day-to-day expenses of running the scheme, and 14.1% relates to recovery of the deficit over the twelve years to 31 December 2025. This means that contributions by the DBF relating to the deficit, based on active members and pensionable stipends as at 31 December 2015, would be £361,000 in 2015 and continue at that rate until 2025, subject to changes in membership, pensionable stipends and subsequent valuations of the scheme. The next valuation of the scheme is being carried out as at 31 December 2015 and is required to be completed by 31 March 2017.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 2 Pension schemes (continued)

Church of England Funded Pensions Scheme pension liability movements:	2015 £000s	2014 £000s	
Pension liability at 1 January	3,680	4,038	
Deficit contributions paid	(369)	(328)	
Unwinding of the discount	80	136	
Actuarial gains	(106)	(166)	
Pension liability at 31 December	<u>3,285</u>	<u>3,680</u>	
Due within one year	361	369	
Due after more than one year	2,924	3,311	
Assumptions used by the Pensions Board to calculate the pension liability:	2015	2014	2013
Discount rate	2.5% p.a.	2.3% p.a.	3.5% p.a.
Price inflation	2.4% p.a.	2.7% p.a.	3.2% p.a.
Increase to total pensionable payroll	0.9% p.a.	1.2% p.a.	1.7% p.a.

#### Church Workers Pension Fund – Defined Benefits Scheme

The Defined Benefits Scheme (“DBS”) section of the Church Workers Pension Fund provides benefits for lay staff based on final pensionable salaries. At 31 December 2015, the DBF had one active member, no deferred pensioner members and five pensioner and dependant members in the scheme, and plans not to admit any further Coventry DBF staff to membership of this section of the scheme. Also, three joint workers employed by Leicester Diocesan Board of Finance (“Leicester DBF”) were active members of this section of the Church Workers Pension Fund and there were four ex-joint worker active members still employed by Leicester DBF, four deferred members and three pensioner members.

The most recent scheme valuation completed was carried out as at 31 December 2013. The DBF’s contribution rate and the Leicester Diocesan Board of Finance contribution rate (affecting the cost of joint workers in this section of the Church Workers Pension Fund) were revised with effect from 1 April 2015. Based on that valuation the DBF is not currently required to make any deficit recovery contributions.

#### Church Workers Pension Fund – Pension Builder Classic Scheme

The Pension Builder Classic Scheme section of the Church Workers Pension Fund builds an annuity for members for payment from retirement, accumulated from contributions paid and converted into an annuity during employment based on terms set and reviewed by the Church of England Pensions Board from time to time. Bonuses may also be declared, depending upon the future investment returns and other factors. There is no sub-division of assets between employers. The expectation is that any future shortfall or surplus in the scheme will result in a curtailment or increase in bonuses declared. At 31 December 2015, the DBF had 27 (2014: 14) active members in the scheme.

A valuation of the scheme is carried out once every three years and considers the funding of the scheme under two measures: on an ongoing basis, allowing for additional returns from equities compared to returns from gilts and for future bonuses in line with inflation; and on a solvency basis, allowing for the cost of winding up and securing the benefits with no future bonuses other than statutory increases for pensions in payment. The most recent scheme valuation completed was carried out as at 31 December 2013, at which date the market value of the assets was £87.1m and there were 5,096 members, comprised of 1,915 active members, 1,344 deferred members and 1,837 pensioner and dependant members. In this valuation, the scheme was shown to have a surplus of £0.5m on an ongoing basis and a surplus of £4.6m on a solvency basis. Based on that valuation the DBF is not currently required to make any deficit recovery contributions.

### 3 Net incoming resources

	2015 £000s	2014 £000s
<b>Net incoming resources is stated after charging/(crediting):</b>		
Auditor’s remuneration:		
Audit	14	14
Taxation services	-	-
Hire of office equipment	6	6
Surplus on disposal of tangible fixed assets	<u>(883)</u>	<u>(1)</u>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 4 Analysis of income

#### a Parish Share

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Parish Share assessed for the year	4,447	-	546	-	4,993	4,914
Other contributions and adjustments	6	-	-	-	6	(2)
Less shortfall in contributions	(67)	-	(15)	-	(82)	(176)
Received for the year	4,386	-	531	-	4,917	4,736
Arrears received in respect of previous years	41	-	-	-	41	36
	4,427	-	531	-	4,958	4,772

#### b Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Mission Development Funding	-	-	94	-	94	89
Legal costs' contribution	26	-	-	-	26	25
	26	-	94	-	120	114

#### c Other donations

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
King Henry VIII Endowed Trust	-	-	186	-	186	218
Allchurches' Trust	88	-	-	-	88	129
Acceler8 grant	-	-	639	-	639	-
Other grants, donations and similar income	22	3	83	-	108	60
	110	3	908	-	1,021	407

#### d Charges for charitable activities

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Parochial fees	428	-	-	-	428	396
Contributions to stipends	-	-	30	-	30	51
Churches closed for public worship	-	-	18	-	18	21
	428	-	48	-	476	468

#### e Other trading activities

	General Fund £000s	Designated Funds £000s	Restricted Funds £000s	Endowment Funds £000s	2015 Total £000s	2014 Total £000s
Rental income from non-investment properties	312	-	-	-	312	308
Recharged payroll costs	153	-	-	-	153	102
Sundry income	107	-	-	-	107	100
	572	-	-	-	572	510

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 4 Analysis of income (continued)

#### f Investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Glebe property income	-	-	1,167	-	1,167	1,166
Unlisted securities	57	2	250	-	309	253
Bank and deposit interest	2	5	2	-	9	8
Other property income	-	-	5	-	5	4
	<b>59</b>	<b>7</b>	<b>1,424</b>	<b>-</b>	<b>1,490</b>	<b>1,431</b>

### 5 Analysis of expenditure

#### a Raising funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Glebe management fees	-	-	54	-	54	54
Glebe operating costs	-	-	171	-	171	141
Parsonage rental costs	41	-	-	-	41	33
Support costs	167	-	-	-	167	157
	<b>208</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>433</b>	<b>385</b>

#### b Mission and ministry

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Clergy stipends costs (excl. curates)	2,084	-	1,090	-	3,174	3,023
Curates' stipends costs	-	-	492	-	492	542
Clergy housing	928	-	-	-	928	919
Fees to retired stipendiary clergy	45	-	-	-	45	34
Clergy appointment and retirement costs	75	-	-	-	75	83
Other clergy diocesan expenses	65	-	-	-	65	65
Staff costs	126	-	-	-	126	104
Support costs	98	-	-	-	98	104
	<b>3,421</b>	<b>-</b>	<b>1,582</b>	<b>-</b>	<b>5,003</b>	<b>4,874</b>

#### c Support for ministry and mission

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Department costs	656	-	-	-	656	496
Interest on value-linked loan	8	-	-	-	8	8
Churches closed for public worship	-	-	17	-	17	20
Grants (see note 8)	180	138	98	-	416	453
Support costs	421	-	-	-	421	407
	<b>1,265</b>	<b>138</b>	<b>115</b>	<b>-</b>	<b>1,518</b>	<b>1,384</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 5 Analysis of expenditure (continued)

#### d Contributions to Archbishops' Council

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
National Church	171	-	-	-	171	171
Training for ministry	202	-	-	-	202	274
Mission agencies' pension costs	12	-	-	-	12	11
Retired clergy housing & other costs	63	-	-	-	63	61
	<b>448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448</b>	<b>517</b>

#### e Education

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Grant	101	-	-	-	101	99
Support costs	80	-	-	-	80	75
	<b>181</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>174</b>

#### f Other

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Unwinding of pension creditor discount	-	-	-	80	80	136
	<b>-</b>	<b>-</b>	<b>-</b>	<b>80</b>	<b>80</b>	<b>136</b>

### 6 Analysis and allocation of support costs

	Raising funds £000s	Ministry & mission £000s	Support for ministry & mission £000s	Education £000s	2015 Total £000s	2014 Total £000s
<b>Governance, management &amp; finance</b>						
Staff costs	99	75	205	43	422	406
Other costs	13	15	93	5	126	123
IT	47	-	68	29	144	118
Other office costs	8	8	55	3	74	96
	<b>167</b>	<b>98</b>	<b>421</b>	<b>80</b>	<b>766</b>	<b>743</b>

### 7 Net gains on investments

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s	2014 Total £000s
Realised gains	-	-	-	3,937	3,937	493
Unrealised gains	19	1	-	8,839	8,859	2,358
	<b>19</b>	<b>1</b>	<b>-</b>	<b>12,776</b>	<b>12,796</b>	<b>2,851</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 8 Grants

	2015 £000s	2014 £000s			
<b>To parishes and other organisations in the Diocese</b>					
<i>Mission &amp; pioneer ministry</i>					
Diocesan Mission Fund grants to parishes	75	74			
Church Commissioners' Mission Fund grants to parishes	42	79			
Pioneer Minister grants to parishes	37	18			
Church Growth in Deprived Areas grants	23	16			
Bishop's Mission Fund grants to parishes	18	15			
<i>Church land and buildings</i>					
Church Fabric Fund grants to eleven churches (2014: seven churches)	40	20			
Faculty fees to parishes	21	20			
Land and buildings at Stoke Aldermoor, Coventry	3	32			
<i>Other organisations in the Diocese</i>					
Coventry Diocesan Board of Education	101	99			
Workcare	23	24			
Coventry Diocesan Trustees	9	8			
Coventry Cathedral for liturgy support costs	5	5			
Coventry Cathedral for Betel café grant	-	20			
Other	3	8			
	<b>400</b>	<b>438</b>			
<b>To other institutions</b>					
Syrian Orthodox Christian School	13	22			
Link Dioceses of Kaduna and Jerusalem	7	1			
	<b>20</b>	<b>23</b>			
<b>To individuals</b>					
For support of ordinands in ministerial training	78	78			
Other grants to clergy and readers	19	13			
	<b>97</b>	<b>91</b>			
	<b>517</b>	<b>552</b>			
<b>Summarised by fund type:</b>					
	<b>General fund £000s</b>	<b>Designated funds £000s</b>	<b>Restricted funds £000s</b>	<b>2015 Total £000s</b>	<b>2014 Total £000s</b>
Mission and pioneer ministry	37	93	65	195	202
Church land and buildings	21	40	3	64	72
Other organisations in the Diocese	138	-	3	141	164
Other institutions	-	1	19	20	23
Individuals	85	4	8	97	91
	<b>281</b>	<b>138</b>	<b>98</b>	<b>517</b>	<b>552</b>

### 9 Trustees' emoluments and expenses

None of the trustees has received any emoluments from the DBF for services performed as directors (2014: £nil).

The parochial clerical members who are trustees of the DBF and the Archdeacons are in receipt of a stipend, housing and other payments made to clergy paid by the DBF by virtue of their office. The DBF provides housing for the Suffragan Bishop by virtue of his office.

Five trustees received a total of £790 (2014: five and £479) in the year for travel expenses related to activity as trustees of the DBF. Three trustees received a total of £2,560 (2014: three and £1,801) in the year for travel and other expenses in connection with their membership of the General Synod of the Church of England, membership of which is not connected with their membership of the Board. Thirteen trustees received a total of £314,351 (2014: thirteen and £366,122) in connection with other offices held in the Diocese. These amounts were for stipends, accrued pension benefits, housing, expenses and sundry grants for resettlement and ministerial development.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 10 Clergy headcount and costs

The average full time equivalent number of stipendiary clergy and licensed lay workers who were office holders in the Diocese was 109 (2014: 112); this included 2 (2014: 2) Archdeacons.

	2015 £000s	2014 £000s
Stipends	2,832	2,726
Social security costs	212	213
Pension contributions	991	953
	<u>4,035</u>	<u>3,892</u>

### 11 Staff headcount and costs

#### a Staff headcount based on full time equivalents ("FTEs")

	2015 FTEs	2014 FTEs
Staff employed directly:		
Supporting parish and diocese-wide ministry and mission	14.8	11.1
Central support	7.4	9.4
Employees wholly or partly supported by third party funding	4.0	3.5
	<u>26.2</u>	<u>24.0</u>
Joint workers	2.2	2.8
	<u>28.4</u>	<u>26.8</u>

#### b Staff costs

	2015 £000s	2014 £000s
Staff employed directly:		
Salaries	819	714
Social security costs	80	64
Pension contributions	133	107
	<u>1,032</u>	<u>885</u>
Joint workers:		
For service in the year	101	112
Pension deficit credit	-	(7)
	<u>1,133</u>	<u>990</u>

There were two employees (2014: two) whose total remuneration in the year was over £60,000. Two (2014: one) were in the band £70,001 to £80,000 and none (2014: one) in the band £60,001 to £70,000. One (2014: two) accrued retirement benefits under a defined benefit pension scheme - the Defined Benefits Scheme section of the Church Workers Pension Fund (2014: the Defined Benefits Scheme and the Pension Builder Classic sections of the Church Workers Pension Fund).

Joint workers are employed by the Leicester Diocesan Board of Finance under joint working arrangements. Their full time equivalents' headcount and costs relate to time allocated to and paid for by the Coventry DBF.

Clergy and licensed lay workers who are office holders in the Diocese are not employees of the DBF and therefore their costs are shown separately in note 10.

Key management personnel are those having authority and responsibility, delegated to them by the trustees, for planning, directing and controlling the activities of the charity. The Diocesan Secretary and any acting Diocesan Secretary in his or her absence are considered to comprise the DBF's key management personnel. Remuneration for key management personnel, including employer's national insurance contributions and contributions to the defined benefit pension scheme, amounted to £142,214 (2014: £114,784).

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 12 Tangible fixed assets

	Parsonages £000s	Glebe houses £000s	Operational properties £000s	Diocesan offices £000s	Office equipment £000s	Total £000s
<b>Cost</b>						
At 1 January 2015	5,834	376	6,273	846	226	13,555
Additions	-	-	1,628	-	-	1,628
Transfers	(35)	-	35	-	-	-
Disposals	(78)	-	(535)	-	-	(613)
At 31 December 2015	<u>5,721</u>	<u>376</u>	<u>7,401</u>	<u>846</u>	<u>226</u>	<u>14,570</u>
<b>Depreciation</b>						
At 1 January 2015	-	-	-	-	226	226
Disposals	-	-	-	-	-	-
At 31 December 2015	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226</u>	<u>226</u>
<b>Net book value</b>						
<b>At 31 December 2015</b>	<u>5,721</u>	<u>376</u>	<u>7,401</u>	<u>846</u>	<u>-</u>	<u>14,344</u>
At 31 December 2014	<u>5,834</u>	<u>376</u>	<u>6,273</u>	<u>846</u>	<u>-</u>	<u>13,329</u>

All tangible fixed assets were used for direct charitable purposes.

### 13 Fixed asset investments

	Glebe properties £000s	Unlisted £000s	Other £000s	Total £000s
Fair value at 1 January 2015	27,014	6,866	55	33,935
Additions at cost	12	6,435	-	6,447
Disposals	(2,595)	-	-	(2,595)
Unrealised gains on revaluation	8,762	97	-	8,859
<b>Fair value at 31 December 2015</b>	<u>33,193</u>	<u>13,398</u>	<u>55</u>	<u>46,646</u>
Historical cost at 31 December 2015	<u>11,583</u>	<u>11,707</u>	<u>55</u>	<u>23,345</u>

Investments are held primarily to provide an investment return.

The fair value of Glebe properties was measured at 31 December 2015 following consultation with the DBF's advisers. Planning permission for development on one agricultural Glebe property has had a significant impact on the value of properties. The fair value of Glebe properties at 31 December 2014 (and therefore at 1 January 2015) was measured based on valuations by members of the surveyors Godfrey-Payton and Bruton Knowles.

Unlisted investments primarily consist of holdings in CBF Church of England funds managed by CCLA Investment Managers Ltd (the Investment Fund and the Global Equity Income Fund), and in the Edentree (previously called Amity) Balanced Fund for Charities managed by Ecclesiastical Investment Management Ltd. Other investments consist of a residential property.

Unlisted investments also include an investment of £5,000 in the Churches Mutual Credit Union.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 14 Debtors

	2015 £000s	2014 £000s
<b>Amounts falling due within one year</b>		
Parish Share and parochial fees	142	134
Glebe agents	145	105
Other debtors, prepayments and accrued income	1,099	330
Loan (see note 15)	110	110
	<b>1,496</b>	<b>679</b>

### 15 Creditors: amounts falling due within one year

	2015 £000s	2014 £000s
Trade creditors	11	85
Grants and other accruals	631	511
Deferred income	226	186
Taxation and social security	61	51
Pension contributions payable for the period	7	7
Pension liability (see note 2)	361	369
Loan	110	110
Other creditors	7	3
<b>Total amounts falling due within one year</b>	<b>1,414</b>	<b>1,322</b>

Deferred income relates to income received in the year for use in or for rental periods in the following year.

The loan is a value-linked loan from the Church Commissioners with no fixed term. The loan drawdown was to finance a value-linked loan to the Local Ecumenical Partnership in Binley Woods, included in Debtors (see note 14), for the purchase of 20 Daneswood Road, Binley Woods, in which the Church Commissioners have 100% equity interest. Value-linked loans are accounted for as public benefit entity concessionary loans. Interest charged to CDBF in the year by the Church Commissioners is £7,909 (2014: £7,784). This interest cost is recharged by CDBF to the Local Ecumenical Partnership in Binley Woods.

### 16 Creditors: amounts falling due after more than one year

	2015 £000s	2014 £000s
Pension liability (see note 2)	2,924	3,311
Grant accruals	70	102
<b>Total amounts falling due after more than one year</b>	<b>2,994</b>	<b>3,413</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 17 Statement of funds

	At 1 Jan 2015 £000s	Income £000s	Expenditure £000s	Transfers £000s	Gains and (losses) £000s	At 31 Dec 2015 £000s
<b>GENERAL FUND</b>	<b>2,007</b>	<b>5,622</b>	<b>(5,523)</b>	<b>(568)</b>	<b>19</b>	<b>1,557</b>
<b>DESIGNATED FUNDS</b>						
Operational Properties Fund	7,117	61	-	1,067	-	8,245
Clergy Holidays Fund	76	3	(4)	-	1	76
Church Buildings Fund	73	2	(40)	-	-	35
Centenary Events Fund	30	-	-	15	-	45
Bishop Bardsley Bequest	86	-	-	-	-	86
Extra Mission and Ministry Support Fund	203	-	-	-	-	203
Bishop's Mission Fund	149	4	(18)	-	-	135
Bishop of Coventry's Link Dioceses Fund	38	-	(1)	-	-	37
Diocesan Mission Fund	142	1	(75)	-	-	68
<b>Total designated funds</b>	<b>7,914</b>	<b>71</b>	<b>(138)</b>	<b>1,082</b>	<b>1</b>	<b>8,930</b>
<b>Total unrestricted funds</b>	<b>9,921</b>	<b>5,693</b>	<b>(5,661)</b>	<b>514</b>	<b>20</b>	<b>10,487</b>
<b>RESTRICTED FUNDS</b>						
Stipends Income Fund	-	1,458	(1,089)	(369)	-	-
Warwick Clergy Stipends & Housing Fund	-	186	(186)	-	-	-
Pastoral Fund	382	841	(17)	(371)	-	835
DC Bonfield Bequest	56	-	-	-	-	56
Ordination Candidates' Fund	-	7	(7)	-	-	-
The Reverend George Goode Fund	17	-	(1)	-	-	16
Archdeacons' Discretionary Fund	32	1	-	-	-	33
Queen Victoria Clergy Fund	-	2	(2)	-	-	-
EE Bardsley Bequest	62	1	-	-	-	63
Companionship Link Funds	2	5	(6)	-	-	1
Syrian Orthodox Christian School Fund	12	9	(13)	-	-	8
Syrian Orthodox Christian School Scholarship Fund	4	-	(1)	-	-	3
Church Commissioners' Mission Fund	174	94	(42)	-	-	226
Church Growth in Deprived Areas Fund	20	47	(24)	(10)	-	33
Acceler8	-	639	-	(20)	-	619
Stoke Aldermoor Temporary Building Grant	3	-	(3)	-	-	-
St Aidan's Missional Community Fund	4	6	-	-	-	10
Deanery Share Support Fund	-	531	(531)	-	-	-
<b>Total restricted funds</b>	<b>768</b>	<b>3,827</b>	<b>(1,922)</b>	<b>(770)</b>	<b>-</b>	<b>1,903</b>
<b>ENDOWMENT FUNDS</b>						
<i>Expendable:</i>						
Parsonage Houses Fund	5,834	-	-	(113)	-	5,721
<i>Permanent:</i>						
Stipends Capital Fund	2,769	-	-	-	43	2,812
Stipends Glebe Fund	25,880	-	(80)	369	12,832	39,001
Coventry Diocesan Endowment Fund	491	-	-	-	7	498
<b>Total endowment funds</b>	<b>34,974</b>	<b>-</b>	<b>(80)</b>	<b>256</b>	<b>12,882</b>	<b>48,032</b>
<b>TOTAL FUNDS</b>	<b>45,663</b>	<b>9,520</b>	<b>(7,663)</b>	<b>-</b>	<b>12,902</b>	<b>60,422</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

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### 18 Descriptions of Designated, Restricted and Endowment Funds

#### DESIGNATED FUNDS

##### *Operational Properties Fund*

This fund represents the cost of properties held for operational use by the DBF and by clergy not in parochial posts that otherwise would be held by the General Fund, including the houses occupied by the Suffragan Bishop and the archdeacons, but excluding Glebe houses for occupation by clergy.

##### *Clergy Holidays Fund*

This fund receives interest arising from the capital on the past sale of a flat in Bournemouth and a bequest received in 2005. It is used by the Archdeacons to make holiday grants to clergy and licensed lay workers.

##### *Church Buildings Fund*

This fund is also known as the Church Fabric Fund and is normally used to make fabric grants to churches.

##### *Centenary Events Fund*

This fund was created in the year for funds to be set aside to assist with financing events in 2018 to celebrate the centenary of the re-founding of The Diocese of Coventry.

##### *Bishop Bardsley Bequest*

These funds were received from the estate of the late Bishop Cuthbert Bardsley in 2005, with a small addition in 2006, and became available upon the death of his widow. These funds, both capital and income, are for the general use of the DBF but with a non-binding request in the will that they be used for the furtherance of the Church's outreach in mission.

##### *Extra Mission and Ministry Support Fund*

This fund enables the DBF to give financial support to those providing ministry and mission.

##### *Bishop's Mission Fund*

This fund has been established to support specific mission projects sponsored by the Bishop of Coventry.

##### *Bishop of Coventry's Link Dioceses Fund*

This fund is supported by transfers from the General Fund and relates to the Anglican Diocese of Kaduna and the Syrian Orthodox Diocese of Jerusalem.

##### *Diocesan Mission Fund*

The Diocesan Mission Fund was set up in 2009 out of General Reserves to fund applications for mission support from parishes.

#### RESTRICTED FUNDS

##### *Stipends Income Fund*

This fund consists of accumulated income balances subject to the Diocesan Stipends Fund Measure 1953. It receives income specifically for support of stipends, in particular Glebe rental income and investment income from the Stipends Capital fund, and is charged with expenditure on Clergy stipends and the management and maintenance of Glebe property. The excess of expenditure over income is charged to the General Fund.

##### *Warwick Clergy Stipends & Housing Fund*

This fund receives income from The King Henry VIII Endowed Trust, Warwick to pay for stipend and housing costs of clergy in the parishes of the Warwick Team and Budbroke.

##### *Pastoral Fund*

This fund is the Diocesan Pastoral Account as set up under sections 77 and 78 of the Pastoral Measure 1983. It can be used for repairing redundant churches in the ownership of the DBF, for the provision, repair or improvement of churches and parsonages, or any other purposes of the DBF or parishes, other than the augmentation of stipends.

##### *DC Bonfield Bequest and Ordination Candidates' Fund*

These funds enable the DBF to give financial support to those in training for the Ministry. The DC Bonfield Bequest funds came from the estate of Donald Charles Bonfield in 2006 and subsequent years.

##### *The Reverend George Goode Fund*

This fund represents money held for training and supporting the ministry of Readers in the Diocese.

##### *Archdeacons' Discretionary Fund and the Queen Victoria Clergy Fund*

These funds enable the Archdeacons and the Bishop to give discretionary grants to those in Parochial Ministry in need.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

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### 18 Descriptions of Designated, Restricted and Endowment Funds (continued)

#### ***EE Bardsley Bequest***

These funds were received in 2005 and 2006 from the estate of the late Mrs Edith Bardsley, widow of the late Bishop Bardsley, for use by the Coventry Diocesan Board of Mission, of which the DBF is the successor. Both capital and income may be used.

#### ***Companionship Link Funds***

These funds are funds raised to fund specific projects for the linked dioceses.

#### ***Syrian Orthodox Christian School Funds***

The Mar Ephraim School is a Syrian Orthodox school that opened in Bethlehem in 2006. Donations to the main fund go to support the school, and the Scholarship Fund is used to provide a bursary for a pupil. These funds were previously managed by Coventry Cathedral and were paid over to the DBF in December 2011.

#### ***Church Commissioners' Mission Fund***

This fund represents additional funds given to the DBF by the Church Commissioners that have arisen as a result of better returns on their investment assets and may be used to support parochial ministry and mission.

#### ***Church Growth in Deprived Areas Fund***

This fund has been set up as a result of a grant awarded by the Church Commissioners towards the costs of a project working with young lay leaders to grow churches in the more deprived areas of the diocese.

#### ***Acceler8***

This fund has been set up as a result of a grant awarded by the Church Commissioners towards the cost of a project to speed up the growth of churches across the diocese by improving their health in eight quality areas and by intentionally focusing on the 20s and 30s age range.

#### ***Stoke Aldermoor Temporary Building Grant***

This fund was set up in the year for a grant received from the Diocesan Trustees towards the costs of setting up a temporary church building for St Catherine's, Stoke Aldermoor.

#### ***St Aidan's Missional Community Fund***

This fund has been set up as a result of donations received for the St Aidan's Missional Community.

#### ***Deanery Share Support Fund***

This fund has been set up as part of the Deanery Share system to assist deaneries that need support to cover the cost of parochial ministry posts with an allocation from the combined parish shares of deaneries that are able to contribute.

### **ENDOWMENT FUNDS**

#### ***Parsonage Houses Fund***

This fund represents the capitalised value of clergy housing for which the DBF has responsibility for maintenance.

#### ***Stipends Capital Fund***

This fund consists of accumulated capital surpluses invested to produce income applied to the augmentation of stipends. This fund was previously shown as a restricted fund and has been reclassified as an endowment fund.

#### ***Stipends Glebe Fund***

This fund represents the value of property and investments held under the Endowments and Glebe Measure 1976. Historically, these holdings were held at parish level for the benefit of individual clergy stipends, but since the Measure they have been managed at Diocesan level for the benefit of all clergy paid for by the DBF.

#### ***Coventry Diocesan Endowment Fund***

This fund is established to produce income applied for the augmentation of stipends. The assets of the fund are held by the Diocesan Trustees as custodian trustees.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 19 Transfers between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s
Transfers relating to operational properties:					
Transfer of parsonages to operational properties	-	35	-	(35)	-
Property purchases funded by the General Fund	(1,179)	1,179	-	-	-
Property purchase funded by the Pastoral Fund	-	449	(449)	-	-
Proceeds from sale of operational properties	596	(596)	-	-	-
	(583)	1,067	(449)	(35)	-
Cost of parsonages sold	-	-	78	(78)	-
Pension deficit contributions paid in year	-	-	(369)	369	-
General Fund transfer to Centenary Events Fund	(15)	15	-	-	-
Project costs transfer to Church Growth in Deprived Areas Fund	10	-	(10)	-	-
Project costs transfer to Acceler8 Fund	20	-	(20)	-	-
<b>Total transfers between funds</b>	<b>(568)</b>	<b>1,082</b>	<b>(770)</b>	<b>256</b>	<b>-</b>

### 20 Analysis of net assets between funds

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2015 Total £000s
Funds at 31 December 2015 are represented by:					
Tangible fixed assets	-	8,247	-	6,097	14,344
Fixed asset investments	1,460	72	27	45,087	46,646
Net current assets	97	641	1,916	(228)	2,426
Creditors falling due after more than one year	-	(30)	(40)	(2,924)	(2,994)
<b>Total net assets</b>	<b>1,557</b>	<b>8,930</b>	<b>1,903</b>	<b>48,032</b>	<b>60,422</b>

### 21 Related party transactions

The Coventry Diocesan Board of Education ("the DBE") is a related party as it is responsible to Diocesan Synod, the members of which are also the members of the DBF. The DBF provided the DBE with a grant of £101,316 (2014: £99,363) in the year towards the costs of the DBE's statutory obligations, see note 8. Other services provided by the DBF totalled £17,280 (2014: £9,927). The net amount owing from the DBE at 31 December 2015 in relation to transactions between the two parties was £1,693 (31 December 2014: £78 owed by the DBE).

The Coventry Diocesan Trustees (Registered) ("the CDT") is a related party as it is the custodian trustee of the Coventry Diocesan Endowment Fund. Income received from the Diocesan Trustees during the year for the Stipends Income Fund was:

Diocesan Endowment Fund	£23,995 (2014: £22,398)
CJB Meacham Trust	£5,875 (2014: £5,761)
Clifton on Dunsmore-Hanbury Trust	£1,395 (2014: £1,368)

Costs incurred by the DBF on behalf of the Diocesan Trustees were £9,360 (2014: £7,830), see note 8.

### 22 Custodian Trustee

During the year the DBF opened a deposit fund account with CCLA to hold funds held as custodian trustee for Offa House Limited. At the year end the DBF held funds belonging to Offa House Ltd of £25,121.

In addition, during the year the DBF was appointed as the trustee of Offa House, the former diocesan retreat house.

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 23 Transition to FRS 102

This is the first year that CDBF has presented its results under FRS 102 and SORP 2015. The last financial statements under previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2014. Set out below are reconciliations of the surplus and reserves for the year from the amounts previously stated in the 2014 financial statements to the revised amounts following the changes in accounting policies.

<b>Restatement of reserves and net income for the prior financial year</b>	<b>General Fund £000s</b>	<b>Designated funds £000s</b>	<b>Restricted funds £000s</b>	<b>Endowment funds £000s</b>	<b>2014 Total £000s</b>
<b>Opening reserves</b>					
Reserves at 1 January 2014 as previously reported	1,917	7,836	1,171	35,527	<b>46,451</b>
Clergy defined benefit pension scheme liability	-	-	-	(4,038)	<b>(4,038)</b>
<b>Reserves at 1 January 2014 as restated</b>	<b>1,917</b>	<b>7,836</b>	<b>1,171</b>	<b>31,489</b>	<b>42,413</b>
<b>Net income for 2014</b>					
Surplus/(deficit) for the year as previously reported (before investment gain)	186	(104)	(41)	-	<b>41</b>
<b>Adjustments to net income in the year:</b>					
Clergy defined benefit pension scheme deficit payments	-	-	328	-	<b>328</b>
Clergy defined benefit pension scheme interest cost	-	-	-	(136)	<b>(136)</b>
<b>Total adjustment to net income</b>	<b>-</b>	<b>-</b>	<b>328</b>	<b>(136)</b>	<b>192</b>
Net gains on investments	71	2	2	2,776	<b>2,851</b>
<b>Net income/(expenditure) as restated</b>	<b>257</b>	<b>(102)</b>	<b>289</b>	<b>2,640</b>	<b>3,084</b>
Transfers between funds	(167)	180	(692)	679	-
<b>Other recognised gains</b>					
Actuarial gain on clergy defined benefit pension scheme	-	-	-	166	<b>166</b>
<b>Net movement in funds as restated</b>	<b>90</b>	<b>78</b>	<b>(403)</b>	<b>3,485</b>	<b>3,250</b>
<b>Closing reserves</b>					
Reserves at 31 December 2014 as previously reported	2,007	7,914	768	38,654	<b>49,343</b>
Clergy defined benefit pension scheme liability	-	-	-	(3,680)	<b>(3,680)</b>
<b>Reserves at 31 December 2014 as restated</b>	<b>2,007</b>	<b>7,914</b>	<b>768</b>	<b>34,974</b>	<b>45,663</b>

# COVENTRY DIOCESAN BOARD OF FINANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2015 (continued)

### 24 Prior year SOFA restated

	General Fund £000s	Designated funds £000s	Restricted funds £000s	Endowment funds £000s	2014 Total £000s
<b>Income and endowments from:</b>					
Donations					
Parish Share	4,277	-	495	-	4,772
Archbishops' Council	25	-	89	-	114
Other donations	149	-	258	-	407
Charges for charitable activities	396	-	72	-	468
Other trading activities	510	-	-	-	510
Investment income	56	5	1,370	-	1,431
Other	-	1	-	-	1
<b>Total</b>	<b>5,413</b>	<b>6</b>	<b>2,284</b>	<b>-</b>	<b>7,703</b>
<b>Expenditure on:</b>					
Raising funds	190	-	195	-	385
Charitable activities					
Mission and ministry	3,247	-	1,627	-	4,874
Support for mission and ministry	1,099	110	175	-	1,384
Contributions to Archbishops' Council	517	-	-	-	517
Education	174	-	-	-	174
Other	-	-	-	136	136
<b>Total</b>	<b>5,227</b>	<b>110</b>	<b>1,997</b>	<b>136</b>	<b>7,470</b>
<b>Net income/(expenditure) before investment gains</b>	<b>186</b>	<b>(104)</b>	<b>287</b>	<b>(136)</b>	<b>233</b>
Net gains on investments	71	2	2	2,776	2,851
<b>Net income/(expenditure)</b>	<b>257</b>	<b>(102)</b>	<b>289</b>	<b>2,640</b>	<b>3,084</b>
<b>Transfers between funds</b>	<b>(167)</b>	<b>180</b>	<b>(692)</b>	<b>679</b>	<b>-</b>
<b>Other recognised gains:</b>					
Actuarial gain on defined benefit pension scheme	-	-	-	166	166
<b>Net movement in funds</b>	<b>90</b>	<b>78</b>	<b>(403)</b>	<b>3,485</b>	<b>3,250</b>
<b>RECONCILIATION OF FUNDS</b>					
Funds at 1 January	1,917	7,836	1,171	31,489	42,413
Net movement in funds in the year	90	78	(403)	3,485	3,250
<b>FUNDS AT 31 DECEMBER</b>	<b>2,007</b>	<b>7,914</b>	<b>768</b>	<b>34,974</b>	<b>45,663</b>