

The Chelmsford Diocesan Board of Finance

Summarised Financial Statements for the year ended 31 December 2015

The Chelmsford Diocesan Board of Finance (CDBF) has prepared statutory financial consolidated statements which have been externally audited and the audit report was unqualified. The trustees' annual report and financial statements were approved on 26 April 2016 by the Finance Committee, who are the trustees of the charity. These statements will be submitted to the Charity Commission and Companies House in due course and copies can be obtained from the diocesan office or the diocesan and charity commission websites.

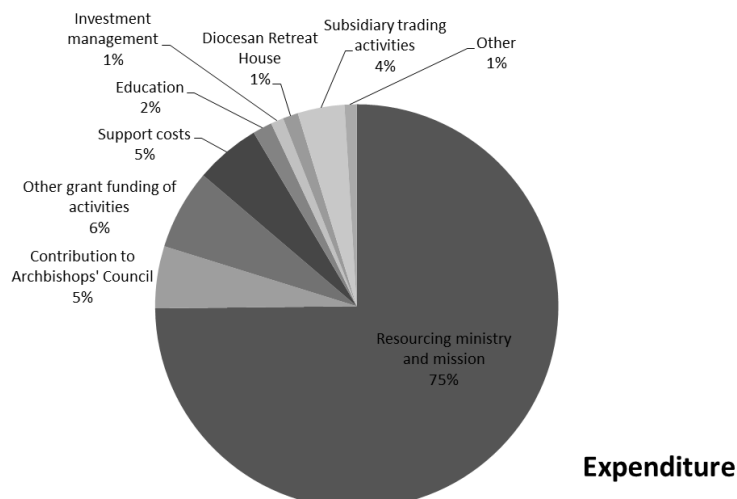
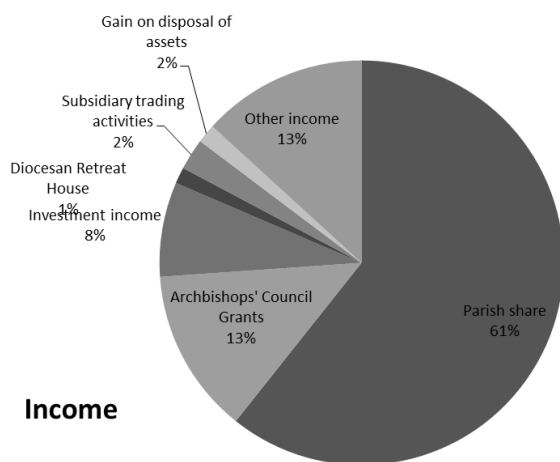
The following consolidated Statement of Financial Activities (SOFA) and Balance Sheet and comments are extracts from the full statutory financial statements.

The SOFA and Balance Sheet (see pages 21 & 23 of the full statements) together show a financial summary for the year ended 31 December 2015 for the CDBF and its subsidiaries. The results and balances for 2014 have been restated because of transition to FRS 102 and the adoption of SORP2015 more fully described note 30 of the full statements.

General fund

The CDBF recorded a surplus for the year on its general fund (before adjustments necessary to reflect the pension fund deficit) of £518,000 (2014: deficit £504,000). This outturn compares favourably to a budgeted deficit of £300,000. This is principally because of a higher than expected vacancy rate, which delivered savings on stipend costs. At £891,000 the parish share shortfall was better than the budget provision (£950,000), and better than 2014 by £92,000. The percentage of share collected increased to 94.2% (2014: 93.6%) which continues an increasing trend. Around 61% (2014: 60%) of the income of the CDBF comes from Parish Share and 13% (2014: 12%) from National Church Ministry Support Funding.

The main types of income and expenditure for the year shown in the SOFA are represented as follows:



Review of the financial position

While the share shortfall remains unacceptably high, the CDBF has met all of its financial obligations to continue resourcing the diocese as required, including the provision, development and support of ministry, the provision and maintenance of houses for the clergy, National Church responsibilities and enriching and facilitating many other aspects of church life throughout Chelmsford Diocese.

On a group basis, income before other recognised gains and losses totalled £23.9m (2014: £23.8m) and expenditure amounted to £22.0m (2014: £22.9m).

The Consolidated Statement of Financial Activities (SOFA) for the year shows a net surplus of £1.8m (2014: £0.8m) before net gains and losses on the revaluation and sale of investments and fixed assets. After these adjustments, the net increase in funds amounted to £25.9m (2014: £15.3m). CDBF continued to benefit from tight financial control which we will continue in 2016.

The value of properties held for the use of CDBF and the value of investment assets increased in 2015. The overall value of total funds increased by £25.9m to £248.7m (2014: increase £15.3m to £222.8m) although it must be remembered that included in this total are properties, mostly in use as clergy housing, valued at £215m (2014: £192m).

Having considered financial risk, liquidity requirement and the timing of cashflows throughout the year, the Trustees consider that an appropriate level of free general reserves is not less than 10 days of gross general fund expenditure, currently £0.6m. The Finance Executive is charged with reviewing this policy if the sum of free reserves in designated funds falls below 15 days gross general fund expenditure. This policy was last reviewed and agreed by the Trustees in July 2015.

Free general reserves at the year-end amounted to £1.2m (2014: £0.7m) being the value of the General Fund excluding fixed assets and the pension scheme deficit. This represents 20 days of gross general fund expenditure. The Trustees are satisfied with this position, noting the fund balances of designated funds.

Percy Lomax
Chair of Diocesan Board of Finance