

## The Chelmsford Diocesan Board of Finance

### Summarised Financial Statements for the year ended 31 December 2016

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 2017 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.

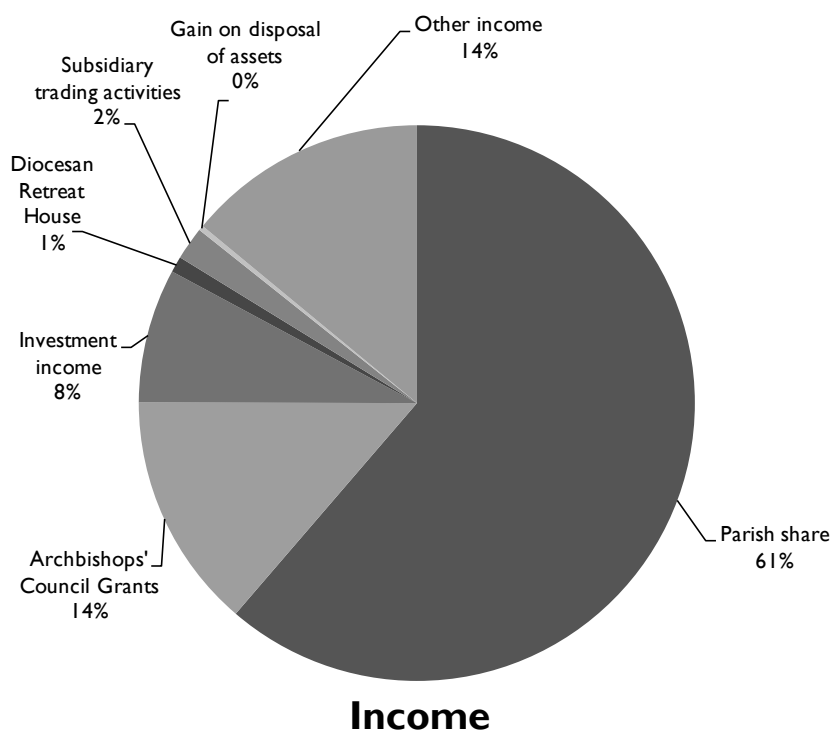
The SOFA and Balance Sheet (see pages 21 & 23 of the full statements) together show a financial summary for the year ended 31 December 2016 for the CDBF and its subsidiaries.

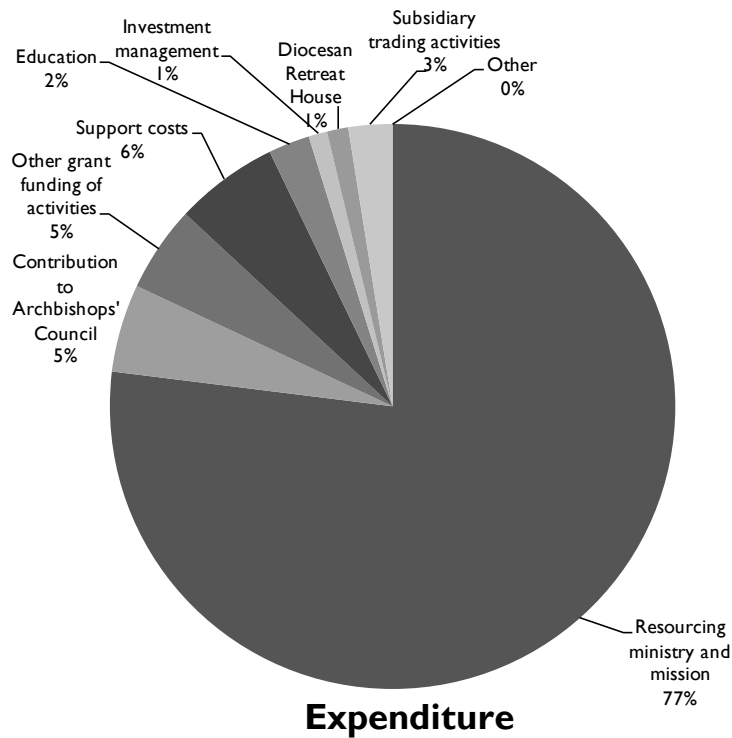
#### General fund

The CDBF recorded a surplus for the year on its general fund before gains on revaluations of fixed assets. This outturn compares favourably to the budget which envisaged a contribution from reserves of £250,000 and arose principally because of a higher than expected vacancy rate which delivered savings on stipend costs. At £804,000 the net parish share shortfall was better than the budget provision of £900,000 (which comprised a funded provision of £650,000 and contribution from reserves of £250,000). The shortfall improved by more than £90,000 compared to 2015, making 2016 the third successive year of shortfall reduction. The percentage of share collected also improved to 94.79% (2015: 94.2%). Despite the improving trend, the Trustees consider the share shortfall remains unacceptably high.

Around 62% (2015: 61%) of the income of the CDBF comes from Parish Share and 14% (2014: 13%) 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 (2015: £23.9m) and expenditure amounted to £22.3m (2015: £22.0m).

The Consolidated Statement of Financial Activities (SOFA) for the year shows a net income of £1.6m (2015: £1.8m) before net gains and losses on the revaluation and sale of investments and fixed assets. The net gains totalled £25.4m (2015: £24.1m) and, after these adjustments, the net increase in all funds amounted to £27.0m (2015: £25.9m). Gains (or losses) are dependent on market volatility and the majority of the gains (£22.4m – 2015: £22.1m) are ascribed to Endowment Funds and are therefore not available to spend.

The value of properties held for the use of CDBF and the value of investment assets increased in 2016. The overall value of total funds increased by £27.0m to £248.7m (2015: increase £25.9m to £248.7m) although it must be remembered that included in this total are properties, mostly in use as clergy housing, valued at £241.5m (2015: £215.4m).

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 £0.9m (2015: £1.2m) being the value of the General Fund excluding fixed assets and the pension scheme deficit. Noting that their 2017 Budget does not contain an explicit provision for parish share shortfall, the Trustees anticipate that free general reserves may fall in 2017 if the parish share performance does not significantly improve. The Trustees are satisfied with this position, noting the balances of the general and designated funds.

**Percy Lomax**  
**Chair of Diocesan Board of Finance**

*The Chelmsford Diocesan Board of Finance*

**Consolidated Statement of Financial Activities (Summary of all funds)**

**Year ended 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Expenditure</b>		
Resourcing ministry and mission	17,156	16,500
Contribution to Archbishops' Council	1,122	1,095
Other grant funding of activities	1,099	1,417
Support costs	1,316	1,155
Education	528	344
Investment management	239	225
Diocesan Retreat House	272	272
Subsidiary trading activities	557	826
Loss on disposal of assets	0	215
<b>Total expenditure</b>	<b>22,289</b>	<b>22,049</b>
<b>Income</b>		
Parish share	14,625	14,509
Archbishops' Council Grants	3,277	3,155
Investment income	1,864	1,807
Diocesan Retreat House	222	313
Subsidiary trading activities	459	599
Gain on disposal of assets	71	360
Other income	3,341	3,162
<b>Total income</b>	<b>23,859</b>	<b>23,905</b>
<b>Net operating income</b>	<b>1,570</b>	<b>1,856</b>
Net capital gains	25,459	24,086
<b>Increase in net assets</b>	<b>27,029</b>	<b>25,942</b>
<b>Net movement in funds</b>		
General	407	1,060
Subsidiary	(121)	(244)
Designated	2,399	2,483
Restricted	1,118	29
Endowments	23,226	22,614
<b>Total funds movement in year</b>	<b>27,029</b>	<b>25,942</b>

**The Chelmsford Diocesan Board of Finance**

**Consolidated Balance Sheet at 31 December 2016**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>		
Tangible assets	242,492	216,483
Investments	48,137	45,488
	<u>290,629</u>	<u>261,971</u>
<b>Current assets</b>	6,003	6,255
Creditors: amounts falling due within one year	<u>(5,520)</u>	<u>(5,638)</u>
Net current assets	<u>483</u>	<u>617</u>
<b>Total assets less current liabilities</b>	291,112	262,588
Creditors: amounts falling due after more than one year	(7,281)	(4,380)
Defined benefit pension scheme liability	(8,045)	(9,451)
<b>Total net assets</b>	<b>275,786</b>	<b>248,757</b>
<b>Funds</b>		
Unrestricted - general	3,227	2,820
- subsidiary company	(769)	(648)
- non-benefice houses	19,336	17,414
- other designated funds	1,889	1,412
	<u>23,683</u>	<u>20,998</u>
Restricted funds	8,118	7,000
Endowment funds:		
- Benefice houses	178,915	163,314
- Stipends fund	62,755	55,359
- other endowment funds	2,315	2,086
	<u>243,985</u>	<u>220,759</u>
<b>Total funds</b>	<b>275,786</b>	<b>248,757</b>

## **Independent auditor's statement to the members of Chelmsford Diocesan Board of Finance**

We have examined the summarised Financial Statements for the year ended 31 December 2016.

### ***Respective responsibilities of the directors/trustees and the auditor***

The trustees are responsible for preparing the summarised Financial Statements in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the summarised Financial Statements with the full annual financial statements and the Trustees' Annual Report, and its compliance with the relevant requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

We also read the other information contained in the summarised Financial Statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the charitable company's full annual financial statements describes the basis of our opinion on those financial statements and on the Trustees' Annual Report.

### ***Opinion***

In our opinion the summarised Financial Statements is consistent with the full annual financial statements and the Trustees' Annual Report of Chelmsford Diocesan Board of Finance for the year ended 31 December 2016 and complies with the applicable requirements of section 427 of the Companies Act 2006 and the regulations made thereunder.

haysmacintyre  
Statutory Auditors

26 Red Lion Square  
London  
WC1R 4AG